

# Open Budget Survey 2019

Questionnaire

South Africa

April 2020

# Country Questionnaire: South Africa

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 2019-20

Source:  
<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Comment:  
The 2018 Medium Term Budget Policy Statement is dated 24 October 2018 and can be accessed via <http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>

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:  
a. At least four months in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Source:  
See <http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf> to access the PBS which is dated 24 October 2018.

Comment:  
A YouTube video of the Finance Minister delivering his speech with regard to the MTBPS on 24 October 2018 is viewable at either <http://www.treasury.gov.za/documents/mtbps/2018/webcast.aspx>

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:  
24/10/2018

Source:  
<http://www.treasury.gov.za/documents/mtbps/2018/webcast.aspx> reflects the date of the release of the PBS as 24 October 2018.  
<https://pmg.org.za/committee-meeting/27348/> notes this date as when the Finance Minister briefed the Finance Standing Committee of Parliament.

The following news article dated 26 October 2018 reported on the MTBPS that had been published and the subject of a speech in Parliament by the Finance Minister: <https://www.dailymaverick.co.za/article/2018-10-26-2018-mtbps-idling-at-a-crossroads/>

Parliament issued a press release advising of the MTBPS being released and that the Finance Minister would deliver the statement in Parliament on 24 October 2018 - <https://www.parliament.gov.za/committee-notice-details/92>

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:  
<http://www.treasury.gov.za/documents/mtbps/2018/webcast.aspx> reflects the date of the release of the PBS as 24 October 2018.

<https://pmg.org.za/committee-meeting/27348/> notes this date as when the Finance Minister briefed the Finance Standing Committee of Parliament.

The following news article dated 26 October 2018 reported on the MTBPS that had been published and the subject of a speech in Parliament by the Finance Minister: <https://www.dailymaverick.co.za/article/2018-10-26-2018-mtbps-idling-at-a-crossroads/>

Parliament issued a press release advising of the MTBPS being released and that the Finance Minister would deliver the statement in Parliament on 24 October 2018 - <https://www.parliament.gov.za/committee-notice-details/92>

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

Answer:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Answer:

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

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/datasheet.aspx>

Comment:

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:

The Pre-Budget Statement in South Africa is the Medium Term Budget Policy Statement, which is published in October, well in advance of the start of the budget year (April 1).

Comment:

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:

Medium Term Budget Policy Statement 2018

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

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 official or formal citizens version. There is a 19 slide PowerPoint Presentation that is made available and which has various summarised points. It's not publicised as a citizens version of the PBS however. See the PowerPoint at [http://www.treasury.gov.za/comm\\_media/presentations/2018%20MTBPS%20presentation.pdf](http://www.treasury.gov.za/comm_media/presentations/2018%20MTBPS%20presentation.pdf)

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 2018-19

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: A package of documents is presented as follows: Appropriation Bill:

<http://www.treasury.gov.za/legislation/bills/2018/Appropriation%20Bill%203%202018.pdf> Division of Revenue Bill:

<http://www.treasury.gov.za/legislation/bills/2018/Division%20of%20Revenue%20Bill%20B2%202018.pdf> Estimates of National Expenditure:

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf> Budget Review:

<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf> Tax-related documents:

<http://www.treasury.gov.za/documents/national%20budget/2018/TaxMatters.aspx>

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:  
21/2/2018

Source:

Parliaments Programme Framework lists the date of the "Budget Speech (Tabling of the Fiscal Framework, Appropriations Bill and Division of Revenue Bill)" as 21 February 2018.

- [https://www.parliament.gov.za/storage/app/media/Programmes/parliamentary-programme-framework-2018\\_2.pdf](https://www.parliament.gov.za/storage/app/media/Programmes/parliamentary-programme-framework-2018_2.pdf)

Parliament also released a press release on 20 Feb 2018 alerting the public to the tabling of the Budget the next day:

<https://www.parliament.gov.za/press-releases/parliament-and-budget>

The budget speech reflects the date of 21 Feb 2018: <http://www.treasury.gov.za/documents/national%20budget/2018/speech/speech.pdf>

The following news article made the budget speech available on the said date: <https://www.moneyweb.co.za/in-depth/budget/read-the-complete-2018-budget-speech/>

See also <https://www.sanlam.co.za/markets/nationalbudgetspeech/Pages/default.aspx> which confirms the date as 21 Feb 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:

See all via <http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

or access each component of the EBP via  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>  
<http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>  
<http://www.treasury.gov.za/legislation/bills/2018/Appropriation%20Bill%203%202018.pdf>  
<http://www.treasury.gov.za/legislation/bills/2018/Division%20of%20Revenue%20Bill%20B2%202018.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

Comments: It is important to note that although the approval may be done after the start of the financial year, section 29 PFMA makes provision for withdrawal funds with conditions.

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:  
21/2/2018

Source:  
<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>  
<https://www.sanlam.co.za/markets/nationalbudgetspeech/Pages/default.aspx>  
<https://citizen.co.za/news/south-africa/1829073/live-report-budget-speech-2018/>

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 PSAM were able to access the EBP on 21 February 2018 like other members of the public who had internet and could visit <http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx> where the material was available within seconds of the Minister commencing his address in Parliament on the said date.

The links provided in the preceding answer also reveal its publication and availability on the said date.

Parliament's Hansard records for 21 Feb 2019 confirm their tabling and publication - see from page 10 onwards in

<https://www.parliament.gov.za/storage/app/media/Docs/hansard/6a537756-09ba-4f7e-bde4-95b448aae691.pdf>

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

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

Answer:

<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx> which contains links to all the documents that comprise of the EBP.

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:

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

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/excelFormat.aspx>

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:

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:

Budget Review 2018

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

Comment:

Supporting documents include:

- the Estimates of National Expenditure - <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>
- Appropriation Bill - <http://www.treasury.gov.za/legislation/bills/2018/Appropriation%20Bill%203%202018.pdf>
- Division of Revenue Bill - <http://www.treasury.gov.za/legislation/bills/2018/Division%20of%20Revenue%20Bill%20B2%202018.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Also: Tax-related documents: <http://www.treasury.gov.za/documents/national%20budget/2018/TaxMatters.aspx>

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:

a. Yes

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

Comment:

A Citizen's Budget called the People's Guide is made available in 5 of the 11 official languages. See these for 2018 at: <http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:  
FY 2018-19

Source:  
<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>

<http://www.treasury.gov.za/legislation/acts/2018/Division%20of%20Revenue%20Act%20-%201%20of%202018.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

Answer:  
28/6/2018

Source:  
<https://pmg.org.za/bill/759/>

Comment:  
Bill passed by National Assembly (on 25 May 2018) and NCOP (on 28 June 2018) being both houses of Parliament. It was then sent then sent to the President for assent according to <https://pmg.org.za/bill/759/>

The following Hansard record confirms its approval in the NCOP on 28 June 2018:  
<https://www.parliament.gov.za/storage/app/media/Docs/hansard/a30b857b-3d8c-46da-a80b-e88730a7fef1.pdf>

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

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

Answer:

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

Source:

<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf> reflects a date of publication in the Government Gazette of 2 August 2018

and

<http://www.treasury.gov.za/legislation/acts/2018/Division%20of%20Revenue%20Act%20-%201%20of%202018.pdf> reflects a date of publication of 4 June 2018.

Comment:

The Appropriations Act was assented to on 31 July 2018, and published on 2 August 2018.

Peer Reviewer

Opinion: Agree

Comments: The reference to the division of revenue bill could be confusing for readers. The 28 June to 2 August gap is indeed between 4 and 6 weeks for the Appropriation Act. The Division of Revenue Act however gets passed earlier, and in 2018 would have been passed some time in early May, and published by the National Treasury on 6 June 2018.

Government Reviewer

Opinion: Agree

Comments: In the South African context, passing by Parliament is not the very last step. There is still another step for the President to assent the Act.

IBP Comment

For cross country comparability, this question has been adjusted to "A." The Appropriations Act was published on 2 August, which is within 2 weeks of the Act being enacted (assented to by the President).

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:

2/8/2018

Source:

<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: 02/08/2018

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:

This is the date of publication reflected in the Government Gazette that contains the Appropriation Act - see <http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>

See also <https://pmg.org.za/bill/759/>

Source:

<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>  
<https://pmg.org.za/bill/759/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>

Source:

<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>

also available at <http://pmg-assets.s3-website-eu-west-1.amazonaws.com/Appropriation.pdf>

and via <https://pmg.org.za/bill/759/>

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:

Numerical data for the EBP is available in machine readable format via

<http://www.treasury.gov.za/documents/national%20budget/2018/excelFormat.aspx> - if the Legislature were to have made any adjustments (which it has not in my understanding) to the EBP then Treasury would need to provide revised data for the EB.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: c. No

Comments: From a transparency perspective the answer should be no. The data from the Appropriation Act, which is not exactly the same format as the Budget Review tables, are not published in a machine readable format as the Appropriation Act. Only people with knowledge of the system and how it works in practice (namely that Parliament to date has not seriously used its amendment powers), would know that they can use the Budget Review tables, and what data from the tables to use. Others would need to undertake research on 1) exactly what is in the Appropriation Act to search for the same data published in a consistent way in the Budget Review, 2) research whether amendments have been made (there may be minor technical corrections). Which answer is used depends on the standards applied across countries: if a country's legislature routinely does not amend, does the OBI accept the publication of machine readable data for the EBP as equal to machine readable data for the EB?

Government Reviewer

Opinion: Agree

Researcher Response

I concur with the Peer Reviewer's inputs and have therefore revised the score to a C which is a "No" answer.

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion:

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:

Act No. 4 of 2018: Appropriation Act, 2018

Source:

<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>

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:

Only for the EBP, not for the EB.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.

Answer:  
FY 2018-19

Source:  
<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

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

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

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

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

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

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

Source:  
<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

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:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

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:

21/2/2018

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

Comment:

The CB is released publicly on the same day as the Finance Minister tables the EBP. If you consider the Javascript detail and "View Page Info" it reflects a date of 20 February as the "Modified" date. Staff at the PSAM were able to access the CB on 21 February 2018 via the link above. Hansard records for 21 Feb 2018 confirm the tabling of the EBP and supporting documents. (see page 11 of <https://www.parliament.gov.za/storage/app/media/Docs/hansard/6a537756-09ba-4f7e-bde4-95b448aae691.pdf>).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: 21/02/2018

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:

The CB is released publicly on the same day as the Finance Minister tables the EBP. If you consider the Javascript detail of <http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf> and "View Page Info" it reflects

a date of 20 February as the "Modified" date.

Staff at the PSAM were able to access the CB on 21 February 2018 via the link above. Hansard records for 21 Feb 2018 confirm the tabling of the EBP and supporting documents. (see page 11 of <https://www.parliament.gov.za/storage/app/media/Docs/hansard/6a537756-09ba-4f7e-bde4-95b448aae691.pdf>).

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20Zulu.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20Setswana.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20Xhosa.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20Afrikaans.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

2018 Budget People's Guide

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20Zulu.pdf>  
<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20Setswana.pdf>  
<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20Xhosa.pdf>  
<http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20Afrikaans.pdf>

Comment:

In Zulu: 2018 Uhlahlo Lwabiwo Mali Umkhombandlela Woluntu  
In Setswana: 2018 Tekanyetsokabo Kaelo Go Setshaba  
In Xhosa: 2018 Uhlahlo Lwabiwo Mali Umkhombandlela Woluntu  
In Afrikaans: 2018 Begroting Die Publiek Se Gids

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Executive's Budget Proposal

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Also for the Mid-Year Report, the document is available on the new South Africa's fiscal transparency portal - [www.vulekamali.gov.za](http://www.vulekamali.gov.za):  
[https://data.vulekamali.gov.za/dataset/9c7af295-9362-44ea-9731-b95bb1ea89d3/resource/161140ee-1c5b-4d2c-bce2-05e4f81c5f21/download/peoples\\_guide\\_to-adjusted-budget\\_2018-fa-onscreen.pdf](https://data.vulekamali.gov.za/dataset/9c7af295-9362-44ea-9731-b95bb1ea89d3/resource/161140ee-1c5b-4d2c-bce2-05e4f81c5f21/download/peoples_guide_to-adjusted-budget_2018-fa-onscreen.pdf)

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 2018-19 & 2017-18

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:

a. At least every month, and within one month of the period covered

Source:

Monthly 2017/18 IYRs are accessible at [http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2017.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2017.aspx)

Monthly 2018/19 IYRs are accessible at [http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx)

Publication dates for monthly IYR are listed at the following URL for 2018/19 FY:

[http://www.treasury.gov.za/comm\\_media/press/monthly/Publication%20dates%202018-19.pdf](http://www.treasury.gov.za/comm_media/press/monthly/Publication%20dates%202018-19.pdf)

Quarterly provincial IYRs for 2017/18 are available at [http://www.treasury.gov.za/publications/PIp/2017\\_18/default.aspx](http://www.treasury.gov.za/publications/PIp/2017_18/default.aspx)

Quarterly provincial IYRs for 2018/19 are available at [http://www.treasury.gov.za/publications/PIp/2018\\_19/default.aspx](http://www.treasury.gov.za/publications/PIp/2018_19/default.aspx)

Comment:

Peer Reviewer

Opinion: Agree

Comments: Reference to the quarterly provincial IYRs is a useful extension, but could be confusing for a reader unfamiliar with the system, who may think that the 'monthly' answer is therefore incorrect. The provincial IYRs are outside of the national budget, which is the subject of the OBQ.

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:

Dates of release of Quarterly IYRs for all 9 Provinces:

- for the 2nd quarter ending 30 Sept 2018 = 30 Oct 2018;
- for the 1st quarter ending 30 June 2018 = 30 July 2018;
- for the 4th quarter of 2017/18 ending 31 March 2018 = 30 April 2018;
- for the 3rd quarter of 2017/18 ending 31 Dec 2017 = 30 Jan 2018;

The monthly IYR publication dates can be found at the following link

[http://www.treasury.gov.za/comm\\_media/press/monthly/Sec%2032%20Year%20planner%202018-2019.pdf](http://www.treasury.gov.za/comm_media/press/monthly/Sec%2032%20Year%20planner%202018-2019.pdf)

Monthly IYRs for 2018 are viewable at [http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx) with the following months IYR released on the date alongside:

Statement of National Revenue, Expenditure and Borrowing as at 30 Nov 2018 - released 21 Dec 2018;  
Statement of National Revenue, Expenditure and Borrowing as at 31 Oct 2018 - released 30 Nov 2018;  
Statement of National Revenue, Expenditure and Borrowing as at 30 Sep 2018 - released 30 Oct 2018;  
Statement of National Revenue, Expenditure and Borrowing as at 31 Aug 2018 - released 28 Sept 2018  
Statement of National Revenue, Expenditure and Borrowing as at 31 July 2018 - released 30 Aug 2018  
Statement of National Revenue, Expenditure and Borrowing as at 30 Jun 2018 - released 30 July 2018  
Statement of National Revenue, Expenditure and Borrowing as at 31 May 2018 - released 29 June 2018.

Source:

Quarterly IYRs for 2017/18: [http://www.treasury.gov.za/publications/PiP/2017\\_18/default.aspx](http://www.treasury.gov.za/publications/PiP/2017_18/default.aspx)

Quarterly IYRs for 2018/19: [http://www.treasury.gov.za/publications/PiP/2018\\_19/default.aspx](http://www.treasury.gov.za/publications/PiP/2018_19/default.aspx)

Monthly IYR publication dates: [http://www.treasury.gov.za/comm\\_media/press/monthly/Sec%2032%20Year%20planner%202018-2019.pdf](http://www.treasury.gov.za/comm_media/press/monthly/Sec%2032%20Year%20planner%202018-2019.pdf)

Comment:

Section 32 of the Public Finance Management Act 1 of 1999 (PFMA) requires monthly IYRs.

Peer Reviewer

Opinion: Agree

Comments: As for previous question, the reference to the quarterly reports is not necessary and can be confusing to readers. In any event, the monthly reference should be quoted first.

Government Reviewer

Opinion: Agree

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

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

Answer:

They are publicised via the Government Gazette and also uploaded to the Treasury on the dates reflected in accordance with the PFMA.

Source:

For provincial level quarterly IYRs including their release dates - <http://www.treasury.gov.za/publications/PiP/default.aspx>

For monthly IYR reports: [http://www.treasury.gov.za/comm\\_media/press/monthly/default.aspx](http://www.treasury.gov.za/comm_media/press/monthly/default.aspx)

Comment:

Section 32 of the Public Finance Management Act 1 of 1999. The section states that: "Within 30 days after the end of each month, the National Treasury must publish in the national Government Gazette a statement of actual revenue and expenditure with regard to the National Revenue Fund".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

Answer:

[http://www.treasury.gov.za/comm\\_media/press/monthly/default.aspx](http://www.treasury.gov.za/comm_media/press/monthly/default.aspx)

Source:

Monthly IYRs > [http://www.treasury.gov.za/comm\\_media/press/monthly/default.aspx](http://www.treasury.gov.za/comm_media/press/monthly/default.aspx)

Quarterly provincial IYRs > <http://www.treasury.gov.za/publications/PiP/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Answer:

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

Source:

Comment:

The material is supplied in pdf form as per the links provided earlier - and therefore not in machine readable formats.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, all of the numerical data are available in a machine readable format

Comments: Each month has an excel file of all data published and more tables:

[http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx) Examples: Dec

[http://www.treasury.gov.za/comm\\_media/press/monthly/1901/statements%20of%20revenue,%20expenditure%20and%20borrowing%20%20November%202018.xls](http://www.treasury.gov.za/comm_media/press/monthly/1901/statements%20of%20revenue,%20expenditure%20and%20borrowing%20%20November%202018.xls) Nov [http://www.treasury.gov.za/comm\\_media/press/monthly/1901/04-11/statements%20of%20revenue,%20expenditure%20and%20borrowing%20%20April%20to%20November%202018.xls](http://www.treasury.gov.za/comm_media/press/monthly/1901/04-11/statements%20of%20revenue,%20expenditure%20and%20borrowing%20%20April%20to%20November%202018.xls) Oct

[http://www.treasury.gov.za/comm\\_media/press/monthly/1812/statements%20of%20revenue,%20expenditure%20and%20borrowing%20%20October%202018.xls](http://www.treasury.gov.za/comm_media/press/monthly/1812/statements%20of%20revenue,%20expenditure%20and%20borrowing%20%20October%202018.xls) Others are available on the same page from Jan to Dec 2018.

Researcher Response

I agree that the score should be revised following feedback from the Government Reviewer.

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

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

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

If In-Year Reports are not produced at all, researchers should mark this question "n/a."

Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer:

STATEMENT OF THE NATIONAL REVENUE, EXPENDITURE AND BORROWING AS AT ..... ISSUED BY THE DIRECTOR - GENERAL: NATIONAL TREASURY

Source:

[http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2019.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2019.aspx)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The correct source, however for 2018 is [http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx)

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

FY 2018-19

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Comment:

The Medium Term Budget Policy Statement read with the Adjusted Estimates of National Expenditure.

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:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Hansard also recorded its release in minutes of the National Assembly sitting on 24 October 2018:

<https://www.parliament.gov.za/storage/app/media/Docs/hansard/5eb55bd1-b225-4275-a2f3-9f9801042c50.pdf>

Comment:

The MYR was publicly released via <http://www.treasury.gov.za/documents/mtbps/2018/default.aspx> on 24 October 2018 when the Finance Minister addressed Parliament and tabled the MYR (called the MTBPS together with its supporting documents).

Peer Reviewer

Opinion: Agree

Comments: The comment should be corrected to reflect that the MYR is not only the MTBPS (which includes sections that are performance reviews of the year to date) but also the Adjustments Budget which is the backward reflecting document at a detailed expenditure level.

Government Reviewer

Opinion: Agree

Researcher Response

I agree that the MYR includes the Adjustments Budget. Score remains as is but for additional information purposes and to assist readers, the additional explanation suggested by the Peer Reviewer is welcomed.

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:

24/10/2018

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

<https://www.parliament.gov.za/storage/app/media/Docs/hansard/5eb55bd1-b225-4275-a2f3-9f9801042c50.pdf>

Comment:

The date appears on the face of the document. The Treasury does not put up the dates on which the documents were uploaded onto their website.

Hansard minutes from Parliament confirm its tabling in Parliament on the said date.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

Answer:

We were able to access this MYR on the Treasury website on that date and Hansard in Parliament has minutes noting the tabling of the MYR on that date. There are also news article referring to and directing the public to access the MYR via <http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>  
<https://www.parliament.gov.za/storage/app/media/Docs/hansard/5eb55bd1-b225-4275-a2f3-9f9801042c50.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

Answer:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

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

Answer:

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

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/datasheet.aspx>

Comment:

Peer Reviewer

Opinion: Disagree

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

Comments: The MTBPS -- which is largely a forward looking document and provides backward looking information at an aggregate macro-fiscal, tax and expenditure sector level as part of the tables -- is available in machine readable format. The adjustment estimates, which provides the detailed expenditure data by department on adjustments to allocations and which reports performance data to date, are not available in machine readable format.

Government Reviewer

Opinion: Agree

Researcher Response

I agree with the PR's input - some of the info is available in machine readable format - score adjusted.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Medium Term Budget Policy Statement 2018

Source:

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Also the Adjusted Estimates of National Expenditure 2018 <http://www.treasury.gov.za/documents/mtbps/2018/aene/FullAENE.pdf> Which shows Departments performance for the first six months

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

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

Answer:

b. No

Source:

Comment:

There is no citizen's version of the MYR. Civil society has produced its own version however - see <http://psam.org.za/wp-content/uploads/2019/02/PSAM-PeoplesGuide2018-FA-onscreen-11.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: The Adjusted People's Budget 2018 was a collaborative product by the Civil Society and National Treasury providing technical support in terms of the production of the publication. It is also published on the South African fiscal transparency portal [https://data.vulekamali.gov.za/dataset/9c7af295-9362-44ea-9731-b95bb1ea89d3/resource/161140ee-1c5b-4d2c-bce2-05e4f81c5f21/download/peoples\\_guide\\_to-adjusted-budget\\_2018-fa-onscreen.pdf](https://data.vulekamali.gov.za/dataset/9c7af295-9362-44ea-9731-b95bb1ea89d3/resource/161140ee-1c5b-4d2c-bce2-05e4f81c5f21/download/peoples_guide_to-adjusted-budget_2018-fa-onscreen.pdf)

Researcher Response

I agree with the Govt Reviewer's observations that it was a collaborative product. The product acknowledges this on the final page where it states: "With thanks to National Treasury's Budget Office for technical advice" The product now appears on government's open budget portal [www.vulekamali.gov.za](http://www.vulekamali.gov.za). The product appears on the portal under the contributed data section (<https://vulekamali.gov.za/datasets/contributed>) and it is explained that the methodology was: "National Treasury datasets tabled by the Minister of Finance in October 2018 were analysed and summarised." The product does not indicate to the reader that its content was endorsed by National Treasury (see <https://vulekamali.gov.za/datasets/contributed/people-s-guide-to-the-adjusted-budget-2018-19>) or that it was "produced in collaboration with National Treasury" - nor was it released by National Treasury. Perhaps this can be achieved and noted when the 2019 product is compiled so that this indicator can be adjusted upwards in the next round of the OBS?

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 2016-17

Source:

Comment:

The OBS 2019 will evaluate the YER for FY 2016-17 as it was the most recently published YER as of the research cut-off date of 31 December 2018. The Consolidated Financial Statements for FY 2017-18 were not published until 22 January 2019, after the research cut-off date.

Peer Reviewer

Opinion: Agree

Comments: A query: 1. It is not clear that the 2017/18 YER on 16 August 2019 the National Treasury website did not yet list the 2017/18 Consolidated Financial Statements in the usual place. As is reflected in question 63, this set of Statements were however published by the Office of the Accountant General at some point – not sure how the 22 January 2019 date was ascertained. The Office of the Accountant General Website has a separate URL from the National Treasury one. The law stipulates that the

Government Reviewer

Opinion: Disagree

Suggested Answer: FY 2017/18

Comments: The Office of the Accountant-General page in the National Treasury website contains the 2018 Consolidated Report Under > Publications > 04. Consolidated Financial Statements > 15. For fin. year ending 31-03-2018 <https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf> It was published on 07 December 2018.

IBP Comment

For cross-country comparative purposes, this questionnaire will examine the YER for 2016/17.

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

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

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

Answer:

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

Source:

Section 8 of the PFMA read with records made public in terms of section 65 of the PFMA.

Once accessing the YER via <http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/default.aspx> it reflects a "Modified" date of 21 November 2017 under the "View Page Info" item.

Comment:

The Consolidated Annual Financial Statement dated 31 October 2017 is the primary YER. The Consolidated Annual Financial Statement must be submitted to Parliament 7 months after the end of the Financial Year as required by section 8(5) of the PFMA.

The PFMA (at section 65) also requires the Minister/MEC responsible for a department or public entity must table in the National Assembly or the relevant provincial legislature the annual report, financial statements and audit report thereon, within one month after the accounting officer or accounting authority for the department or public entity received the Audit Report. Section 65(2)(a) of the PFMA requires that a Minister/MEC who fails to table an annual report for an entity within six months after the end of the financial year must table a written explanation in the legislature setting out the reasons why the report was not tabled. In effect, this translates to the Minister/MEC being required to table the annual reports, financial statements and audit reports of departments and public entities under her or his control no later than 30 September each year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

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

Comments: The Office of the Accountant-General page on National Treasury website contains the 2018 Consolidated Report Under > Publications > 04. Consolidated Financial Statements > 15. For fin. year ending 31-03-2018

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf> It was published on 07 December 2018.

IBP Comment

For cross-country comparative purposes, this questionnaire will examine the YER for 2016/17.

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:

21/11/2017

Source:

See answer in preceding question.

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf> records a date of 21 Nov 2017 under "View Page Info."

One can also access the YER for 2016/17 via <https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2fPublications%2f04%2e%20Consolidated%20Financial%20Statements%2f14%2e%20For%20fin%2e%20year%20ending%2031%2d03%2d2017&FolderCTID=%26View=%7bEA6E6B15%2d593D%2d4839%2dA804%2dA91A49CB20A0%7d> where under "View Page info a date of 28 Aug 2017 is reflected.

I am yet unable to locate the date when the YER was made public my Parliament after its submission by National Treasury.

One can also access the YER for 2017/18 via <https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf> which records at page 9 that "The Consolidated Financial Statements have been approved by the Accounting Officer and the Accountant-General 7 December 2018."

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: 07/12/2018

Comments: The Office of the Accountant-General page on National Treasury website contains the 2018 Consolidated Report Under > Publications > 04. Consolidated Financial Statements > 15. For fin. year ending 31-03-2018

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf> It was published on 07 December 2018

IBP Comment

For cross-country comparative purposes, this questionnaire will examine the YER for 2016/17.

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:

See responses and sources provided in preceding question

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer: It was published on 7 December 2018. It is written on the document on Page 9 of 334 as well as on inspecting the document properties.

Comments: The Office of the Accountant-General page on National Treasury website contains the 2018 Consolidated Report Under > Publications > 04. Consolidated Financial Statements > 15. For fin. year ending 31-03-2018

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf>

IBP Comment

For cross-country comparative purposes, this questionnaire will examine the YER for 2016/17.

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:

Source:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/14.%20For%20fin.%20year%20ending%2031-03-2017/Consolidated%20Financial%20Statements%202017.pdf>

Also available at:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

Comment:

Additionally, each vote separately prepares Annual Reports. See for example:

Department of Basic Education: <https://www.education.gov.za/Portals/0/Documents/Reports/DBE%20Annual%20Report%202017.pdf?ver=2017-09-26-090956-673>

Department of Human Settlements: <http://2017gma.co.za/Dep%20LS%20Human%20Settlements%20Annual%20Report%202016-17.pdf>

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf>

Comments: For 2018 Consolidated Report

IBP Comment

For cross-country comparative purposes, this questionnaire will examine the YER for 2016/17.

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:

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:

Government Reviewer

Opinion: Agree

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

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

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

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

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

Answer:

Consolidated Financial Statements 2017

Source:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20>

017.pdf

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Consolidated Financial Statements for the year ended 31 March 2017

Government Reviewer

Opinion: Disagree

Suggested Answer: Consolidated Financial Statements for the year ended 2018

Comments: <https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf>

IBP Comment

For cross-country comparative purposes, this questionnaire will examine the YER for 2016/17.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

FY 2017-18

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/PFMA2017-18%20Consolidated%20General%20Report.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

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

Answer:

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

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/MR/2018%20PFMA%20Media%20Release.pdf>

Comment:

Press release by the AG when releasing the AR is dated 21 November 2018.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

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

Answer:

21/11/2018

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/MR/2018%20PFMA%20Media%20Release.pdf>

<https://www.iol.co.za/business-report/economy/unauthorised-expenditure-in-sa-increases-by-38-to-r21bn-says-auditor-general-18206588>

Comment:

The Press Release issued by the AGSA when releasing the AR is dated 21 November 2018.

Also see this news article covering the release and dated the same day: <https://www.iol.co.za/business-report/economy/unauthorised-expenditure-in-sa-increases-by-38-to-r21bn-says-auditor-general-18206588>

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

Answer:

The press release by the AGSA when releasing the AR publicly is dated 21 Nov 2018. News articles covered the release of the AR on the same date.

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/MR/2018%20PFMA%20Media%20Release.pdf>

<https://www.iol.co.za/business-report/economy/unauthorised-expenditure-in-sa-increases-by-38-to-r21bn-says-auditor-general-18206588>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

Answer:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/PFMA2017-18%20Consolidated%20General%20Report.pdf>

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/PFMA2017-18%20Consolidated%20General%20Report.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:

c. No

Source:

Not publicly available

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

Source:

Comment:

Peer Reviewer  
Opinion:

Government Reviewer  
Opinion:

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

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

Answer:

Consolidated General Report on Audit Outcomes of National and Provincial Audit Outcomes - PFMA 2017/18

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/PFMA2017-18%20Consolidated%20General%20Report.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

Answer:

a. Yes

Source:

The AGSA's AR for 2017/18 contains:

- A Summary of Audit Outcomes at : <https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/Section%203%20-%20Summary%20of%20audit%20outcomes.pdf>

- A Performance snapshot at: <https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/Performance%20snapshot%20-%20Clean%20audits%20-%20content%20page.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

[www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za) and [www.municipalmoney.gov.za](http://www.municipalmoney.gov.za)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: General Website: [www.treasury.gov.za](http://www.treasury.gov.za) - with everything Fiscal Transparency portals: [www.vulekamali.gov.za](http://www.vulekamali.gov.za) and [www.municipalmoney.gov.za](http://www.municipalmoney.gov.za) Tax-related information: [www.sars.gov.za](http://www.sars.gov.za)

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

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

Answer:

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

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>  
<https://vulekamali.gov.za/datasets>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

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

Source:

Yes, for 2011 see <http://www.treasury.gov.za/documents/national%20budget/2011/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2011/enebooklets/excel.aspx>

For 2012 see <http://www.treasury.gov.za/documents/national%20budget/2012/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2012/enebooklets/excel.aspx>

For 2013 see <http://www.treasury.gov.za/documents/national%20budget/2013/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2013/enebooklets/excel.aspx>

For 2014 see <http://www.treasury.gov.za/documents/national%20budget/2014/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2014/enebooklets/excel.aspx>

For 2015 see <http://www.treasury.gov.za/documents/national%20budget/2015/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2015/enebooklets/excel.aspx>

For 2016 see <http://www.treasury.gov.za/documents/national%20budget/2016/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2016/enebooklets/excel.aspx>

For 2017 see <http://www.treasury.gov.za/documents/national%20budget/2017/default.aspx> which has links to even more detailed datasheets such as:

<http://www.treasury.gov.za/documents/national%20budget/2017/excelFormat.aspx>

<http://www.treasury.gov.za/documents/national%20budget/2017/ene/ENECSV.zip>

<http://www.treasury.gov.za/documents/national%20budget/2017/ene/ENE%20Summary%20Tables.zip>

<http://www.treasury.gov.za/documents/national%20budget/2017/ene/ALIENETables.zip>

For 2018 see <http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx> which has links to even more detailed datasheets such as:

<http://www.treasury.gov.za/documents/national%20budget/2018/excelFormat.aspx>

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/ENECSV.zip>

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/ENE%20Summary%20Tables.zip>

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/ALIENETables.zip>

See also <https://data.vulekamali.gov.za/> which has datasets from 2007/08 to 2019/20 as provided by National Treasury.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

a. Yes

Source:

See for instance under each Department at <https://vulekamali.gov.za/2018-19/departments>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

*GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://www.kenyalaw.org/lex/actview.xql?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:

Yes, the Public Finance Management Act 1 of 1999 (read with its Treasury Regulations) and the Public Audit Act No. 25 of 2004 are the primary laws relating to PFM and auditing. Links to both laws:

<http://www.treasury.gov.za/legislation/PFMA/default.aspx>

<https://www.agsa.co.za/AboutUs/Legislation.aspx>

Section 32 of the PFMA places publication obligations upon the National Treasury that promote budget transparency. See also section 40 and section 41 that outlines the accounting officer's reporting and submitting responsibilities

The SA Constitution at Chapter 13, especially s214 and s.215 places clear budget transparency obligations upon National Treasury, Parliaments and Provincial Legislatures.

Neither the PFMA or the Public Audit Act contain specific provisions to advance participation.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

Comments: And Treasury Regulations [http://www.treasury.gov.za/legislation/acts/2002/gazette\\_23463.pdf](http://www.treasury.gov.za/legislation/acts/2002/gazette_23463.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:

Yes - regarding 1) and 2) see the Promotion of Access to Information Act 2 of 2000 which can be accessed at <http://www.justice.gov.za/paia/paia.htm>

There is little or inadequate laws in place to meaningfully support participation efforts in South Africa. The Public Service Act has resulted in the introduction of Regulations that require accounting officers "to establish and sustain a service delivery improvement programme for her or his department-

- (a) specifying the main services to be provided to the different types of actual and potential customers, as identified by the department;
- (b) containing consultation arrangements with the department's actual and potential customers;
- (c) with due regard to the customer's means of access to the services and the barriers to increased access thereof, specifying the mechanisms or strategies to be utilised progressively to remove the barriers so that access to services is increased;
- (d) indicating standards for the main services to be provided;
- (e) containing arrangements as to how information about the department's services are to be provided; and
- (f) stipulating a system or mechanisms for complaints.

The above can be viewed at clause C.1 on page 16 of the Regulations that are accessible at [https://www.gov.za/sites/default/files/gcis\\_document/201409/219510.pdf](https://www.gov.za/sites/default/files/gcis_document/201409/219510.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Comments: The acts mentioned are correct. In addition, the Money Bills Amendment Procedure and Related Matters Act requires Parliament to hold public hearings on the various money bills. See for example articles 9 and 10, which specifically relate to the Division fo Revenue and Appropriation Acts. [https://www.gov.za/sites/default/files/gcis\\_document/201409/32127426.pdf](https://www.gov.za/sites/default/files/gcis_document/201409/32127426.pdf)

Government Reviewer

Opinion: Agree

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

*GUIDELINES:*

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

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

Answer:

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

Source:

The Executive's Budget Proposal is presented by administrative classification in the: "Estimates of National Expenditure 2018" detailed information by vote/administration can be accessed,

- as a collective doc via <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FULLENE.pdf>

- by individual administrative unit via <http://www.treasury.gov.za/documents/national%20budget/2018/Estimates.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

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

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

**Answer:**

a. Yes, expenditures are presented by functional classification.

**Source:**

Budget proposal presentation by functional classification is available in the National Treasury Budget Review, at Statistical Tables 6 and 8 which can be accessed at <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

The link to the full Budget Review (that includes the Statistical Tables) and that forms part of the EBP is <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

**Comment:**

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

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

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

*COFOG can be viewed at [https://unstats.un.org/unsd/publication/SeriesM/SeriesM\\_84E.pdf](https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf) or at <http://www.imf.org/external/pubs/ft/qfs/manual/pdf/ch6ann.pdf>.*

**Answer:**

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

**Source:**

The functional classification within the Statistical Tables of the Budget Review appear consistent with international standards. See the classification material at at Statistical Tables 6 and 8 which can be accessed at <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

The link to the full Budget Review (that includes the Statistical Tables) and that forms part of the EBP is

<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

*GUIDELINES:*

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

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

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

Expenditures by economic classification can be found in the 2018 Budget Review, Statistical Table 5 "Consolidated national, provincial and social security funds expenditure: economic classification" See page 22 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer  
Opinion: Agree  
Comments: The Estimates of National Expenditure also provide detailed economic classification information by Department and Programme.

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:

Yes - see the 2018 National Budget Review: <http://www.treasury.gov.za/documents/national%20budget/2018/budgetReview.aspx>

Also see Annexure W2: Structure of Governments Accounts:

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Annexure%20W2.pdf>

Comment:

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:

Detailed information per vote and by program is presented in one document, namely the 2018 Estimates of National Expenditure accessible via <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>.

Individual votes and their program level budget detail can be accessed via <http://www.treasury.gov.za/documents/national%20budget/2018/Estimates.aspx>

Comment:

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:

Multi year expenditure estimates are presented by all three expenditure classifications in the 2018 National Budget Review: Statistical Tables. See Tables 4, 5, 6 at <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Multi year expenditure estimates are presented by all three expenditure classifications in the 2018 Estimates of National Expenditure. see <http://www.treasury.gov.za/documents/national%20budget/2018/Estimates.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

Administrative classification

Economic classification

Functional classification

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>

Comment:

All three expenditure classification levels across multi years are presented. See the links.

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:

Multi year expenditure estimates are presented by all three expenditures classifications available in the 2018 Estimates of National Expenditure.

Expenditure estimates for the current financial year and two outer years are provided by programme and sub-programme. Information is available according to each vote and can all accessible in one document: <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>

Comment:

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:

The 2018 National Budget Review presents sources of tax revenue in Statistical Table 3 "Main budget: estimates of national revenue – Detailed classification of revenue. See page 14 onwards of <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer  
Opinion: Agree  
Comments: Statistical Table 2 also presents the information

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:**

Various individual sources of non - tax revenue are presented in the 2018 National Budget Review, Statistical Table "Main Budget: Estimates of national revenue: Detailed Classification of Revenue within Statistical Table 3 at page 16 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

**Comment:**

Peer Reviewer  
Opinion: Agree  
Comments: Statistical table 2 also presents the information.

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:**

See Table 3 of the 2018 Budget Review within the Statistical Tables annexure which presents both tax and non tax revenue for the periods 2014/15 to 2018/19: <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Table 7 also presents "Consolidated government revenue and expenditure: economic classification" - see pages 26 and 27 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: I agree with the A selection but the comment is incorrect. The table that presents multiyear estimates of revenue by category is table 2 (page 192 to 195 of the Budget Review) and the information is presented from 2000/01 up to 2020/2021 (page 195 of the Budget Review)

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:

See Table 4.2 of Chapter 4 of the 2018 Budget Review viewable at page 4/40 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%204.pdf>

Also see Table 2 of the 2018 Budget Review's Statistical Tables accessible via <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The "a" selection is correct. But, the same table as for the previous question should be quoted, as the table quoted is at a detailed level of classification of the individual sources of revenue, and only goes up to 2018/19, which is not beyond the budget year. Table 2, page 192 to 195 of the Budget Review provides individual sources of revenue (adding up to categories of revenue for the previous OBS question) from 2000/01 to 2020/21.

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:

See Chapter 7 of the 2018 Budget Review accessible at <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf> - see especially table 7.3 (at page 4/84) which provides a breakdown of "Financing of national government gross borrowing requirement" for 2017/17 to 2020/21 while and Table 7.8 (at page 9/89), gives a breakdown of Total National Government Debt covering the period 2016/17 to 2020/21.

Table 7.10 details National government debt-service costs for the same period and can be accessed at the same link.

Comment:

Peer Reviewer

Opinion: Agree

Comments: Just to note that although the table 7.3 sets out the gross borrowing requirement, it includes a line setting out the net requirement.

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:

See Table 7.3 of Chapter 7 of the 2018 Budget Review together with Tables 7.8 to 7.10 all accessible via <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

**GUIDELINES:**

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

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

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

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

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

**Answer:**

a. Yes, information beyond the core elements is presented for the composition of the total debt outstanding.

**Source:**

The various Tables in Chapter 7 of the 2018 Budget Review provide detailed info on debt instruments; maturity profile of the debt; and whether it is domestic or external debt

Table 10 within the Statistical Tables of the 2018 Budget Review provide a breakdown of Total National Government debt for the period 1993/94 to 2020/21 - see this table at <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf> from page 32/214 onwards.

Also See Table 11 on "Net loan debt, provisions and contingent liabilities" at page 36/218 of the same link as immediately above.

**Comment:**

**Peer Reviewer**

Opinion: Agree

Comments: Please note that information on interest rates is only at a high level, ie identifying in the composition table the amount of debt that has fixed and that amount that has variable interest rates (table 7.8). Specific interest rate information is presented only for the start of the period, not the end of the period (table 7.1), and only for domestic long-term borrowing.

**Government Reviewer**

Opinion: Agree

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:**

Interest rates on the debt

Maturity profile of the debt

Whether the debt is domestic or external

Information beyond the core elements (please specify)

Source:

See Table Table 7.5 Domestic long-term borrowing, 2017/18 available via <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf> which gives Maturity info and the coupon rate. Figure 7.1 gives Maturing Redemptions details from 2017/18 to 2025/26. Table 7.11 gives a 3 year breakdown of "Government guarantee exposure"

Link to all the above is : <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Chapter 2 titled "Economic Overview" of the 2018 National Budget Review contains Table 2.2 "Macroeconomic performance and projections" from 2014 – 2020 at page 5/17. It includes Real GDP Growth, GDP inflation and CPI inflation for 2014 to 2020.

Chapter 2 also contains Figures depicting "Emerging Market Currency Performance" and Effective exchange rate movements" for a number of years. See more on this at page 6/18 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%202.pdf>

Table 2.3 also details the "Assumptions used in the economic forecast" - link is as above.

Table 2.4 at page 1/022 lists Sector Growth Trends for 2015 - 2017 with percentage changes for GDP and other sectors and factors. Links is as above

Chapter 7 of the 2018 Budget Review has elaborate information on Government Debt and Contingent Liabilities: See more at <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The reference to Chapter 7 is perhaps not relevant. The information presented in this chapter is about government's borrowing requirement and debt management plans, which are not macro-economic assumptions.

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:

See links at preceding question.

- Economic Growth in selected countries
- Unemployment
- Exchange Rate
- Current Account Deficit / Balance of Payments
- Assumptions used in the Economic Forecast
- Commodity Prices

Link to all of the above and more: <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%202.pdf>

Also see Chapter 3 of the 2018 Budget Review, especially "Table 3.2 Macroeconomic performance and projection" viewable at page 41/29 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

Also see "Table W1.1 Medium-term macroeconomic assumptions" at page 236/5 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

Chapter 2 of the 2018 Budget Review explains inter alia that:

"Economic assumptions

The macroeconomic forecast is underpinned by a set of assumptions published in Table 2.3. The main revisions to the assumptions since the 2017 MTBPS forecast include upward revisions to global demand, higher commodity prices and a lower risk premium. Electricity inflation has been revised down following the recent tariff decision. Nominal government consumption and investment have been revised down to reflect expenditure cuts.

To see this narrative and Table 2.3, visit <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%202.pdf> at page 10/22

"Table 3.2 Macroeconomic performance and projections" appears at page 41/29 of

<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf> and is followed by the following narrative points:

Risks to the economic and fiscal outlook remain elevated:

- The recovery in economic growth is not yet broad-based. Much depends on continued improvements in political and policy certainty, and a supportive global environment. Tax buoyancy, which declined over the past two years, may not increase as quickly as projected.
- Talks on a new public-service wage agreement are in progress. An agreement locking in salary increases that exceed consumer price index inflation would make expenditure limits difficult to achieve.
- While decisive action by government to strengthen governance at Eskom has staved off the likelihood of near-term default, the financial positions of the power utility and several other large entities pose risks to the economy and the fiscus.
- The costs associated with fee-free higher education and training are uncertain. The Department of Higher Education and Training will need to ensure that its plans are aligned with allocations.
- A sub-investment downgrade for local- and foreign-currency debt by Moody's would result in South Africa's exclusion from the Citi World Government Bond Index, triggering a sell-off of South African debt. This would raise future borrowing and debt-service costs.

Prudent fiscal policy decisions and increases in the contingency reserve will help government to manage these risks. Improved policy certainty, alongside governance and economic reforms, will support fiscal consolidation.

See "Table W1.1 Medium-term macroeconomic assumptions" at page 236/5 of

<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Table 2.3 is not relevant. It sets out the assumptions used, not the impact on the fiscal aggregates and debt if the assumptions are different. The risks are discussed as said, and alternative scenarios are presented. The risk discussion and scenarios however do not set out what the impact on the fiscal aggregates and debt will be, as one would see in a fiscal risk analysis worthy of an 'a' rating. The discussions are about (i) the risk factors that will affect growth (not the impact of lower growth on the fiscal aggregates and debt), (ii) risk factors that will affect the cost of government debt (without stating what the impact will be in concrete quantitative terms), and (iii) the degree to which GDP growth might be different (again without stating what the exact impact of that lower growth will be on the fiscal aggregates and government debt). At best the assessment can be a "c".

Government Reviewer

Opinion: Agree

IBP Comment

For cross country comparability, answer choice "C" has been selected. While the Budget Review does include some discussion on risks to the macroeconomic indicators and present three alternative scenarios to quantify the risks to the baseline economic forecast, this does not rise to the level of "sensitivity analysis" that is asked for in this question. No analysis is presented that shows how changes to the estimated inflation rate, GDP

growth rate, and interest rates impact estimated expenditure, revenue, and debt.

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:**

a. Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.

**Source:**

See Chapter 5 of the 2018 Budget Review that is headed "Consolidated Spending Plans" and which can be accessed via <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%205.pdf>

In this Chapter there is both narrative and tables detailing shifts, including a section on:

**"Revisions to spending plans**

There have been three major sources of revision to departmental baselines since the 2017 Budget. First, changes were made during the Medium Term Expenditure Committee (MTEC) process, which allocates any new funding and determines budgetary shifts between votes. Second, baselines were cut in view of a poor revenue outlook at the time of the MTBPS and the need to stabilise government debt. Third, the baseline for the Department of Higher Education and Training has been augmented to implement fee-free higher education and training for students from poor and working-class households."

See then table 5.1 which details "Adjustments to the expenditure ceiling"

See "Table 5.3 Additional allocations over the MTEF period" that contains itemised details.

Link to the above is : <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%205.pdf>

**Comment:**

**Peer Reviewer**

Opinion: Agree

**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:

a. Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.

Source:

Chapter 4 of the 2018 Budget Review deals with "Revenue trends and tax policy" and is accessible via <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%204.pdf>

This Chapter explores for instance, revisions to Tax Policy including the decision to increase VAT by 1%. See for instance "Table 4.3 Impact of tax proposals on 2018/19 revenue" accessible at p.6/42 of the above link.

There are also narrative sections on new "Environmental and health taxes" that will provide more revenue and a section on "Medical Tax Credits".

At the start of Ch.5 of the 2018 Budget Review dealing with Consolidated Spending Plans, the following is emphasised at the outset of the Overview: "The 2018 Budget reflects major new expenditure commitments and corresponding reductions in line with new policy initiatives. Over the medium-term expenditure framework (MTEF) period, R57 billion is added to the baseline of the Department of Higher Education and Training for fee-free tertiary education and training for students from households earning less than R350 000 a year. Allocations for other national departments as well as provincial and local baselines have been reduced by R85.7 billion over the three-year spending period. "

Comment:

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:

Expenditure estimates for the year prior to the budget year are presented in all three expenditure classifications . See both the 2018 Budget Review and the Estimates of National Expenditure at:

- <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

- <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

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

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

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

Answer:

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

Source:

Yes, see the "2018 Estimates of National Expenditure". This document shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item. Single document version accessible at:

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>

Comment:

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:

Within the 2018 Estimates of National Expenditure, at "Table 2 Expenditure by national vote: 2014/15 to 2020/21" readers can consider the Audited Outcomes for each Vote for the 3 year period 2014/15 to 2016/17, followed by the Adjusted Appropriation for 2017/18 alongside Revised Estimates for the same year and again for each Vote, followed by the Medium Term Estimates for each Vote for the 3 outer years (2018/19 to 2020/21). See this at page 26/xviii of <http://www.treasury.gov.za/documents/national%20budget/2018/ene/Foreward%20and%20Introduction.pdf>

Furthermore, detailed information per vote on revised estimates by programmes and sub-programmes is also contained in the 2018 Estimates of National Expenditure via <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>

See also the 2018 National Budget Review, Statistical Table 1 viewable at:  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

*GUIDELINES:*

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

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

Answer:

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

Source:

Yes, see the "2018 Estimates of National Expenditure". This document shows expenditure outcomes and estimates over a seven-year period, by vote programme, by economic classification and by functional classification.

Single document version accessible at: <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>

The 2018 Budget Review Statistical Tables also contain relevant and the necessary level of detail - see  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

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:

Yes, see the "2018 Estimates of National Expenditure". This document shows expenditure outcomes and estimates over a seven-year period, by vote/administrative classification, by economic classification and by functional classification.

Single document version accessible at: <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FullENE.pdf>

The 2018 Budget Review Statistical Tables also contain relevant details - see  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.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 detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-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:

The 2018 Estimates of National Expenditure (detailed information per vote) publications provide more detailed expenditure per vote by programmes and sub-programmes for more than one year preceding the budget year. See more at  
<http://www.treasury.gov.za/documents/national%20budget/2018/booklets.aspx>

Comment:

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:**

Within the 2018 Estimates of National Expenditure, the Audited Outcomes for 2014-15 to 2016/17 are provided by each national vote at " Table 2 Expenditure by national vote: 2014/15 to 2020/21" - see more at page 26/xviii of <http://www.treasury.gov.za/documents/national%20budget/2018/ene/Foreward%20and%20Introduction.pdf>

**Comment:**

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

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

**Answer:**

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

**Source:**

See 2018 National Budget Review, Statistical Tables: Table 3 - "Main budget: estimates of national revenue –detailed classification of revenue" which contains numerous tax and not tax revenues for the preceding budget year and also years prior to that: <http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

**Comment:**

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:**

Yes, see 2018 National Budget Review, Statistical Tables: Table 3 - "Main budget: estimates of national revenue –detailed classification of revenue"  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

**Comment:**

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:**

Yes, see 2018 National Budget Review, Statistical Tables: Table 1 - "Main budget: Revenue, expenditure, budget balance and financing"

Also see Table 2 "Main budget: estimates of national revenue - Summary of revenue" that lists Actual Collections for 2014/15 to 2016/17.

Also see Table 3 "Main budget: estimates of national revenue - detailed classification of revenue"

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

**Comment:**

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

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

**Answer:**

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

Source:

See Table 2 "Main budget: estimates of national revenue - Summary of revenue" that lists Actual Collections for 2014/15 to 2016/17.

Also see Table 3 "Main budget: estimates of national revenue - detailed classification of revenue"

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Table 2 goes back to 2000/01.

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:

See Table 3 "Main budget: estimates of national revenue - detailed classification of revenue"

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Table 2 is also relevant.

Government Reviewer

Opinion: Agree

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

*GUIDELINES:*

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

Answer:

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

Source:

Yes, see 2018 National Budget Review, Statistical Tables: Table 1 - "Main budget: Revenue, expenditure, budget balance and financing"

See Table 2 "Main budget: estimates of national revenue - Summary of revenue" that lists Actual Collections for 2014/15 to 2016/17.

Also see Table 3 "Main budget: estimates of national revenue - detailed classification of revenue"

<http://www.treasury.gov.za/documents/national%20budget/2018/reviewStatistical%20tables.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

**GUIDELINES:**

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

*The "core" information includes:*

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*
- *maturity profile of the debt; and*
- *whether it is domestic or external debt.*

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

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

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

Answer:

a. Yes, information beyond the core elements is presented for government debt.

Source:

2018 National Budget Review, Chapter 7, Table 7.3, "Financing of national government gross borrowing requirement" p.4/84;

Also see Table 7.8. "Total national government debt 2016/17 - 2020/21", p.9./89

Link to the above is <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf>

Also see Statistical Tables 10 and 11 of the 2018 National Budget Review via

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Comments: Table 7.10 is not quoted and it provides the debt service costs for Y-1. Table 7.5 presents interest rates on debt on 31 January 2018, two months before the end of the fiscal year, but the correct rates at the time of the Budget Review.

Government Reviewer  
Opinion: Agree

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

**GUIDELINES:**

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

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

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

**Answer:**

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

**Source:**

2018 National Budget Review, Chapter 7, Table 7.3, "Financing of national government gross borrowing requirement" p.4/84;

Also see Table 7.8. "Total national government debt 2016/17 - 2020/21", p.9./89

Link to the above is <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf>

Also see Statistical Tables 10 and 11 of the 2018 National Budget Review via

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>

**Comment:**

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

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

**GUIDELINES:**

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

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

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

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

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

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

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

Answer:

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

Source:

See Ch.3 Fiscal Policy of the 2018 National Budget Review

(<http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%203.pdf>) which provides details of "The consolidated budget includes the main budget and spending financed from the revenues raised directly by provinces, social security funds and public entities. "

Chapters of the Estimates of National Expenditure also contain details of Extra-Budgetary Funds, for example:

Chapter 11 dealing with the National Department of Labour has info beyond the core elements for

- the Unemployment Insurance Fund
- the Compensation Fund.

See more at <http://www.treasury.gov.za/documents/national%20budget/2018/ene/Vote%2028%20Labour.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

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

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

*The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018):*

<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml> For the purpose of answering this question, please consider only the central government level.

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

Answer:

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

Source:

I was unable to locate such level of detail especially with regard to extra-budgetary funds at the central government level and on a consolidated basis.

While Tables 5 and 6 of the Statistical Annex contain details of national, provincial, and social security funds, my concern is that they do not contain extra-budgetary funds. South Africa's social security fund is included within the central government's budget, and therefore does not meet the requirements of being extra-budgetary.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The Fiscal Policy Chapter in the Budget Review includes consolidated tables that present a consolidated budget balance (see table 3.7).

The social security funds referred to in the tables are not the main budget social security allocations, but the additional funds such as the Unemployment insurance and Compensation Funds. Please see Annexure W2

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Annexure%20W2.pdf> from page 5 on what is included in the consolidated budget information.

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: South Africa continues to publish a consolidated presentation of central government spending, including provincial government, public entities, and social security funds. See Annexure Table 5 of 2018 Budget Review document (Page 204) - which gives details of Table 5.4 (Page 56).

Also given by Function on Table 5.5 (Page 57)

Researcher Response

After considering feedback from the peer reviewer and government reviewer, the score is adjusted to an A.

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:

CH.6 of the 2018 National Budget Review deals with "Division of revenue and spending by provinces and municipalities" - see <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%206.pdf>

Table 6.2 Division of nationally raised revenue contains a breakdown of transfers between the three spheres covering the period 2015/15 to 2020/21

There is also narrative content.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree  
Comments: All the Departments have details of transfers and subsidies to others spheres and Public entities in the various sectors  
<http://www.treasury.gov.za/documents/national%20budget/2017/enebooklets/Vote%2035%20Transport.pdf>

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](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:

c. Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.

Source:

The 2019 National Budget Review gives readers a breakdown of how the equitable share is distributed to the 9 provinces - see page 249:  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>.

A lot more could be done to provide breakdowns of expenditure by especially gender, age, and income, so as to better show the financial impact and target of policies on different groups of citizens.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree  
Suggested Answer:

a. Yes, at least three alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.

Comments: South Africa continues to publish budgets in the 2018 Budget Review, illustrating allocations by (1) by region (the breakdowns of the intergovernmental fiscal transfers by region - Table 6.3 Provincial equitable share (Page 73); <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf> (2) by age (for 'old age' beneficiaries of the social grants and 'children' in the early childhood development - Department of Social Development); <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2017%20Social%20Development.pdf> and (3) by gender and other vulnerable groups (Department of Women <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2013%20Women.pdf> Department of Health <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf> Department of Justice and Constitutional Development <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2021%20Justice%20and%20Constitutional%20Development.pdf>). Also see page 62 of Budget Review on other presentation on Table 5.8 showing social protection specific expenditure.

**IBP Comment**

After further review, answer choice "C" has been confirmed. The presentation of the breakdown of intergovernmental fiscal transfers by region is the only "alternative display" accepted for this question. The other presentations suggested by the government reviewer are presentations of administrative or sub-administrative classification, and not an "alternative display."

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:**

Distribution of health expenditures by geographic region  
Distribution of education expenditures by geographic region

**Source:**

Only the distribution of the equitable share by province was identified as an alternative way of displaying the allocation of funding. See link in preceding answer.

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Disagree

Suggested Answer: Distribution of health expenditures by geographic region Distribution of education expenditures by geographic region  
Comments: Policy impacts by income, gender and age not presented. Table 5.6 of 2018 Budget Review presents the distribution of 'learning and culture' function which includes Education expenditure. Under Basic education (consolidated), there is a specified item of 'provincial' expenditure. Similarly with Health, table 5.7 presents Central, Provincial and District health-related expenditure line.  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

**IBP Comment**

The presentation of the breakdown of intergovernmental fiscal transfers by region is the only "alternative display" accepted for this question. The other presentations suggested by the government reviewer are presentations of administrative or sub-administrative classification, and not an "alternative display."

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:

See 2018 Budget Review, Chapter 8, "Financial Position of Public- Sector Institutions" Table 8.3 "Borrowing requirement of selected stateowned companies" p.5/97 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%208.pdf>

Each vote details its transfers to public corporations - see for instance Vote 11, Public Enterprises within the 2018 Estimates of National Expenditure, especially "Table 9.2 Vote expenditure trends by programme and economic classification" viewable at p.3/161 of <http://www.treasury.gov.za/documents/national%20budget/2018/ene/Vote%2009%20Public%20Enterprises.pdf>

A narrative discussion of such entities does tend to be provided. See page 9/167 of the link for examples in this regard.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: <http://www.treasury.gov.za/documents/national%20budget/2017/enebooklets/Vote%2035%20Transport.pdf> There is an overview on the public corporation being funded in department

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:

b. Yes, the core information is presented for all quasi-fiscal activities.

Source:

See Chapter 8 of the 2018 Budget Review (<http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%208.pdf>) which

includes a section on Development finance institutions with "Table 8.4 Financial position of selected development finance institutions" that lists the selected entities total assets, total liabilities and net asset value for the period 2014/15 to 2016/17. There is also "Table 8.5 Borrowing requirement for development finance institutions" followed by narrative content for various state banks. See pages 8/100 to 9/101 of the above link.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.

Comments: I have selected 'c' here, in view of the information published in the budget documents on each national public enterprise. However, it may be 'd', as this information does not specifically set out the quasi-fiscal activities of each as a table with explanations, but some may include information that does set it out, e.g. the chapter on the Land Bank that provides information on types of loans. All public financial and non-financial enterprises of national government have a section in which key financial information is presented for those enterprises in the associated government national department's on-line chapter of the Estimates of National Expenditure (<http://www.treasury.gov.za/documents/national%20budget/2018/Booklets.aspx>). This information for each is comprehensive, but does not necessarily state whether any of their operations equal quasi-fiscal activities. In the main Budget Review, there is no information on quasi-fiscal activities, e.g. stating what the quantum may be or what the main elements may be. As the 2014 case study on quasi-fiscal activities in South Africa notes (<https://www.internationalbudget.org/wp-content/uploads/Hidden-Corners-South-Africa.pdf>) South Africa is not listed as a country with high incidence of 'traditional' quasi fiscal activities, but there are cases of them and they are not necessarily set out publicly or open to public scrutiny. The tables quoted in the original answer as part of the Budget Review, is about the consolidated financial status of the Banks, consisting probably mostly of non-quasi-fiscal activities. In any case, information on the consolidated financial status of institutions that are perhaps likely to have quasi-fiscal activities is not equal to information on quasi fiscal activities.

Government Reviewer

Opinion: Agree

IBP Comment

For cross-country comparability, answer choice "B" is maintained. While more specific information on individual QFAs could be produced and published, the entirety of the information published is enough to qualify for a "B" response.

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:

Within Ch.7 of the 2018 Budget Review there is a section on "Cash Balances" - see <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf> at page 7/87 which has a narrative followed by Table 7.7 (that covers 2015/16 to 2017/18). The narrative notes as follows at the outset: "Government's total cash holdings, which consist of deposits held at commercial banks and the Reserve Bank, stood at R204.3 billion at the end of 2016/17. As Table 7.7 shows, these balances have increased sharply to refund large foreign currency commitments due in 2019/20. Following this redemption, cash balances will decline to R215.6 billion by..."

At page 12/92 it is also noted as follows: "Government's largest contingent asset is the Gold and Foreign Exchange Contingency Reserve Account. This account reflects profits and losses on gold and foreign exchange reserves, held by the Reserve Bank to meet foreign exchange obligations and to maintain liquidity in the presence of external shocks. The balance on this account is split into transactions with cash flow and non-cash flow valuations. Due to the appreciation of the rand, unrealised gains are expected to amount to R209.4 billion by end-March 2018, a decline of R21.8 billion compared with 2016/17. In 2017/18, government settled a realised loss of R225 million. Losses of R135 million are projected for 2018/19."

Within Chapter 8 of the 2018 Budget Review there is "Table 8.1 Combined financial position of public institutions" which includes the Total Assets & Total Liabilities and Net Asset Values of State Owned Companies, Development Finance Institutions, Social Security Funds and Other Public Entities: See <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%208.pdf>

See also "Table 8.2 Combined balance sheets of state-owned companies" that excludes DFI's and covers TA, LT and NAV for the period 2012/13 to 2016/17. Available at p.4/96 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%208.pdf>

A detailed listing of the assets is not provided.

Comment:

Peer Reviewer

Opinion: Agree

Comments: The explanation should include (as for the next question) that information on the financial assets of all government entities are presented as a matter of routine tables in the entities' sections associated with their main national government departments in the on-line booklets for each of the departments.

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:

c. Yes, information is presented, but it excludes some nonfinancial assets.

Source:

See for instance details provided for the National Home Builders Registration Council - at page 883 of the 2018 ENE, at Table 38.16 - accessible via <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FULLENE.pdf>

Comment:

See for instance details provided for the National Home Builders Registration Council - at page 883 of the 2018 ENE, at Table 38.16 - accessible via <http://www.treasury.gov.za/documents/national%20budget/2018/ene/FULLENE.pdf>

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some nonfinancial assets.

Comments: In principle, insofar as entities are government owned, the "c" selection is correct. The explanation however should be explicit as to why this option is selected. There is not information on non-financial assets held by the main government departments. However, for each of the entities information is presented, because the standard table includes a statement of all entities' financial position, which includes a statement on financial and non-financial assets.

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some nonfinancial assets.

Comments: 2018 Budget Review from Page 94 under "Financial Health of public institutions" and "State-owned companies".

Researcher Response

Score to remain a C. While non-financial info for entities within certain main government departments is provided as referenced above, there is no information on non-financial assets held by the main government departments. This supports a score of C.

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/qfs/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:

e. Not applicable/other (please comment).

Source:

The Treasury Regulations introduced to give effect to the PFMA general require that creditors be paid within 30 days. Treasury Regulation 8.2.3 provides as follows: "Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement".

The prescribed period referred to in section 38(1)(f) of the PFMA is 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement, as provided in Treasury Regulation 8.2.3"

See further: [https://oag.treasury.gov.za/Publications/10.%20Instruction%20Notes/For%20fin%20year%202011-12/20111130%20Instruction%20Note%2034%20-%20Effecting%20payments%20within%2030%20days%20from%20receipt%20of%20an%20invoice%20\(TR8.3.2\).pdf](https://oag.treasury.gov.za/Publications/10.%20Instruction%20Notes/For%20fin%20year%202011-12/20111130%20Instruction%20Note%2034%20-%20Effecting%20payments%20within%2030%20days%20from%20receipt%20of%20an%20invoice%20(TR8.3.2).pdf)

However page 89/77 of the 2018 Budget Review (<http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>) has noted the following as regards Municipalities:

"Municipal financial management

Many municipalities continue to face financial and institutional problems that result in breakdowns in service delivery and mounting debts. As at end-September 2017, the 20 municipalities with the largest outstanding commitments owed creditors R17.4 billion, but had only R1.7 billion of cash on hand. Most of these debts are owed to Eskom and water boards. Protracted non-payment undermines the financial sustainability of these state-owned entities. National and provincial departments also owe municipalities, and the Department of Public Works is working to verify and settle these debts. To date, debts totalling R4 billion have been verified and departments have paid R1.6 billion owed.

Non-payment of creditors is a symptom of deeper underlying problems. These include weaknesses in revenue collection, and underinvestment in maintenance and renewal, which compromises the reliability of basic services. Too many municipalities also fail to adopt credible budgets, meaning that even if they stick to their budgeted plans, they will not be financially sustainable. "

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of expenditure arrears are not presented.

Comments: The question is about national government. The answer concerns municipal government information in the national government budget review, but that does not equal information on national government arrears, as municipalities are autonomous. There is no information in the budget review on national government arrears.

Government Reviewer

Opinion: Agree

Researcher Response

I agree with the Peer Reviewers comments. Score adjusted to an E.

IBP Comment

Per the guidelines, this question is answered "E."

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:

a. Yes, information beyond the core elements is presented for all contingent liabilities.

Source:

Detailed info in this regard is made available. This includes a narrative supported by estimates, tables and projections. See Chapter 7 of the 2018 Budget Review at <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%207.pdf>.

Also see Statistical Table 11 (<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>) which is preceded by the following narrative:

"Provisions are liabilities with uncertain payment dates or amounts. The provisions for multilateral institutions are the unpaid portion of

government's subscriptions to these institutions, which are payable on request. Contingent liabilities are obligations that only result in expenditure when an uncertain future event occurs. Both explicit and implicit contingent liabilities are disclosed. Implicit contingent liabilities are mostly the actuarial deficits of social security funds, while explicit contingent liabilities are mostly guarantees for state-owned companies, public-private partnership projects and the Renewable Energy Independent Power Producer Programme. In the case of guarantees for state-owned companies, the exposure disclosed is the amount of the guarantee against which the company has borrowed, along with any related interest on this amount, if guaranteed. The National Treasury published detailed information on provisions and contingent liabilities in the annual consolidated financial statements of national departments."

Comment:

Peer Reviewer  
Opinion: Agree

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:

Within a portion of the EBP, namely the 2018 National Budget Review, National Treasury provides Table 11 within its Statistical Tables (<http://www.treasury.gov.za/documents/national%20budget/2018/review/Statistical%20tables.pdf>) that details "Net loan debt, provisions and contingent liabilities" for the period 2007/08 to 2020/21. This therefore does not contain a projection of 10 years from the 2018 EBP.

The following brief narrative is provided in support of this table:

"Provisions are liabilities with uncertain payment dates or amounts. The provisions for multilateral institutions are the unpaid portion of government's subscriptions to these institutions, which are payable on request. Contingent liabilities are obligations that only result in expenditure when an uncertain future event occurs. Both explicit and implicit contingent liabilities are disclosed. Implicit contingent liabilities are mostly the actuarial deficits of social security funds, while explicit contingent liabilities are mostly guarantees for state-owned companies, public-private partnership projects and the Renewable Energy Independent Power Producer Programme. In the case of guarantees for state-owned companies, the exposure disclosed is the amount of the guarantee against which the company has borrowed, along with any related interest on this amount, if guaranteed. The National Treasury published detailed information on provisions and contingent liabilities in the annual consolidated financial statements of national departments."

I was not able to locate "macroeconomic and demographic assumptions used and a discussion on the fiscal implications and risks highlighted by the projections". While Chapter 2 of the 2018 Budget Review does have some detail this is not focused primarily on the distant future but rather the more immediate and also not so much on "future liabilities and the sustainability of its finances over the longer term"

Comment:

The Guidelines require the longer term projection to cover a 10 year period, which the cited Table does not provide.

Peer Reviewer

Opinion: Agree

Comments: The comment provides detail on contingent liabilities, but that is only one component of the territory the question covers. A shorter and more accurate 'source' would have been that the Budget Review generally only includes information to the end of the medium-term period. In a few graphs (e.g. 7.1 on debt redemptions) information may go beyond, but not long-term.

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:

Each Department/Ministry is expected to provide information on donor funding. An example would be the Health Department which details a Summary Donor Funding at Table 16.C: See page 57 of <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf>

Comment:

While the information is presented in a table, there is sufficient detail (including "Spending Focus") to qualify as a narrative for an "A" answer.

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:**

Information regarding Tax Expenditure is presented from page 121/133 of the 2018 National Budget Review and includes at Tax Expenditure Statement. See the above pages at the following direct link:  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/Annexure%20B.pdf> or go to the pages in the full doc which is viewable at <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

The content on tax expenditures does not present information for the budget year as is required by the question.

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Disagree

Suggested Answer:

b. Yes, the core information is presented for all tax expenditures.

Comments: B should be the appropriate answer. Chapter 4 of the Budget Review document presents "Revenue Trends and Tax Policy". The headline "Revenue collection and outlook" page 38, Table 4.1 on page 39 and Annexure C "Additional tax policy and administrative adjustments", provide historical info on tax expenditure. Intended beneficiaries on page 48 table 4.5 and table B.1 on page 124.

**Researcher Response**

After considering the feedback, score revised to a C - the material excludes core elements and some tax expenditures.

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:

a. Yes, estimates of all earmarked revenues are presented, along with a narrative discussion.

Source:

Main earmarked revenues appear with a narrative discussion within the EBP.

These include for instance the Road Accident Fund (see page 103-115 of the 2018 Budget Review viewable at <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>) together with page 29 onwards of the 2018 Estimates of National Expenditure: <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2035%20Transport.pdf>

To see details of the Unemployment Insurance Fund as a further example: See p.102/114 of <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf> and page 20/30 of <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2028%20Labour.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

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

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

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

Answer:

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.

Source:

Detailed information on the link between the budget and the government's stated policy goals is presented, including both a narrative discussion and quantitative estimates. See Chapter 5 of the 2018 National Budget Review: <http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%205.pdf>

Furthermore, the 2018 Estimates of National Expenditure go into more detail under each budget vote and discuss by administrative unit what plans will be carried out against the budget: <http://www.treasury.gov.za/documents/national%20budget/2018/booklets.aspx>

Comment:

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:**

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, along with a narrative discussion.

**Source:**

Detailed information on the link between the budget and the government's stated policy goals for a multi-year period, including a narrative discussion is contained in Chapter 5 of the 2018 National Budget Review:

<http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%205.pdf>. There is additional detail provided in the various Chapters of the 2018 Estimates of National expenditure, that detail each budget vote and discuss by administrative unit

what plans will be carried out by the budget over a multi year period year period:

<http://www.treasury.gov.za/documents/national%20budget/2018/booklets.aspx>

**Comment:**

Peer Reviewer  
Opinion: Agree

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:

a. Yes, nonfinancial data on inputs are provided for each program within all administrative units (or functions).

Source:

The non-financial data on inputs is presented in the Estimates of National Expenditure under each budget vote information such as personnel/human resources. Select a Vote to see such non-financial data by going to the following <http://www.treasury.gov.za/documents/national%20budget/2018/booklets.aspx>

See for instance Health Department Personnel Info at Table 16.7 of

<http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Estimates of National Expenditure also has Performance Information in each departments chapter

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:

b. Yes, nonfinancial data on results are presented for all administrative units (or functions) but not for all (or any) programs.

Source:

The non-financial data on results is presented in the Estimates of National Expenditure under each budget vote information such as personnel/human resources. Select a Vote to see such non-financial data by going to the following <http://www.treasury.gov.za/documents/national%20budget/2018/booklets.aspx>

See for instance Health Department performance indicators at Table 16.1:

<http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, nonfinancial data on results are presented for all administrative units (or functions) but not for all (or any) programs.

Comments: Not all programmes are covered. Out of the first ten departments in the budget review (ignoring Parliament, which presents no performance information in the national budget documentation as it is not required to in term of legislation, and the Presidency which has only one substantive programme), and ignoring the administration programme, for which information is routinely not provided as it comprises support services, nine do not cover all their programmes in the performance information presented. So, by the ten departments: Communication: Has 3 other programmes, with performance information provided for only 2. Cooperative Governance and traditional affairs: Has 5 programmes other than administration. Output or outcome information presented for only 4. International Relations and Cooperation: Has 4 other programmes other than administration. Output/outcome information is presented for only 3. National Treasury: Has nine programmes other than administration, and outcome/output information is presented for only 3. Planning, monitoring and evaluation: Has six programmes other than administration, and outcome/output information is presented for only 5. Public Enterprises: Has two programmes other than administration, and outcome/output information is presented for only 1. Public Service and Administration: Has five programmes other than administration, and outcome/output information is presented for only four. Public Works: Has four programmes other than administration, and outcome/output information is presented for only three.

Government Reviewer

Opinion: Agree

Comments: Each department and public entities has performance information table

Researcher Response

Based on the detailed feedback provided by the PR, score to be a "B".

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

**GUIDELINES:**

*Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.*

Answer:

a. Yes, performance targets are assigned to all nonfinancial data on results.

Source:

Performance targets are assigned to certain non financial data on results in each budget vote/ by administrative function within the 2018 Estimates of National Expenditure

See for example Table 16.1 that relates to Health:

<http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. ([http://www.finance.gov.pk/budget/mtbf\\_2018\\_21.pdf](http://www.finance.gov.pk/budget/mtbf_2018_21.pdf) and [http://www.finance.gov.pk/survey\\_1718.html](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:**

a. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, along with a narrative discussion.

**Source:**

At page 67/55 of the 2018 Budget Review it is emphasised that:

"As part of government's commitment to reducing poverty and income inequality, 17.6 per cent of expenditure, amounting to R948.7 billion over the medium term, is allocated to transfers to households. The bulk of this spending – which includes social grants, land reform grants and fee-free education and training – benefits the poorest households."

while at page 257 it is noted that:

"2018 BUDGET REVIEW26The national school nutrition programme grantseeks to improve the nutrition of poor school children, enhance their capacity to learn and increase their attendanceat school. The programme provides a free daily meal to learners in the poorest 60percent of schools (quintile 1 to 3)."

Meanwhile, Vote 17 of the ENE provides elaborate details on how the social grants system will provide support to those who qualify : <http://www.treasury.gov.za/documents/national%20budget/2018/ene/Vote%2017%20Social%20Development.pdf>

**Comment:**

**Peer Reviewer**

Opinion: Agree

Comments: Just to note that as the question itself is formulated (using the word 'present'), the answer is correct. However, it is not as if there is a specific effort to 'highlight' these policies, ie a separate table of policies benefiting the poor. The information is scattered throughout the ENE. The three examples presented in the source, are from separate points in the Budget Review and ENE that happen to discuss pro-poor policies. More examples can be provided, e.g. the expanded public works programme in the Public Works Department, or the Free Higher Education programme in Higher Education. From a transparency perspective, however, it will require a lot of judgement and effort to consolidate these to get a sense of how much and how government is spending on pro-poor policies. So if an 'a' answer here is 'highlighting' and supposed to be equivalent to a clear setting out, in a central place, of pro-poor spending, the South African case should not qualify.

**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:

a. Yes, a detailed timetable is released to the public.

Source:

The budget timetable is published in the Medium Term Expenditure Framework Guidelines which is published nine months or so before the start of the fiscal year.

<http://www.treasury.gov.za/publications/guidelines/2018%20MTEF%20Technical%20Guidelines%20for%20National.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

See the 2018 Medium Term Budget Policy Statement at <http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>:

It includes Table 1.1 on Macroeconomic Projections; a Macroeconomic Outlook (at page 15), Table 2.3 that details "Macroeconomic performance and projections."

Comment:

Table A1 at page 51 of the 2018 MTBPS (<http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>) contains a projection of "Sensitivity in debt stock and debt-service costs, 2019/20" were there to be a 10% rise in interest rates.

Also consider Table 2.1 Economic Growth in selected countries"" and the narrative that precedes it at page 16 of <http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>

Peer Reviewer

Opinion: Agree

Comments: Just to note that interest rate information is not explicitly presented.

Government Reviewer

Opinion: Agree

IBP Comment

For cross-country comparability, answer choice "A" is maintained. The discussion on interest rate changes, and the impacts on borrowing costs and payments, is accepted to satisfy the estimate of interest rates core element.

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:

See the 2018 Medium Term Budget Policy Statement at <http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>:

In Chapter 4 at page 29 onwards, Expenditure Priorities are considered including estimates of total expenditure and expenditure over the medium term.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

**GUIDELINES:**

Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of revenue policies and priorities; and
- an estimate of total revenue.

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.

**Answer:**

a. Yes, information beyond the core elements is presented for the government's revenue policies and priorities.

**Source:**

See the 2018 Medium Term Budget Policy Statement at <http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>:

**Includes tables detailing:**

:Medium-term revenue framework (3.3)

Main budget framework and financing requirements (C.2)

: Division of revenue framework (4.3)

Includes Figures with Main budget revenue and non-interest spending..

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

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

**GUIDELINES:**

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

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

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

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

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

*To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.*

Answer:

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

Source:

See: <http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

amount of net new borrowing required during 2019/20: Table C.2

total debt outstanding at the end of 2019/20: Table C.2

interest payments on the debt for 2019/20: Table 4.2

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

*Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.*

*To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.*

Answer:

a. Yes, multi-year expenditure estimates are presented.

Source:

Yes estimates of total expenditures for a multi year period (2020/21, 2021/22) are presented in the PBS - see the 2018 Medium Term Budget Policy Statement, Table 1.3 at p.8.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of the three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications.

Answer:

b. Yes, the Enacted Budget presents expenditure estimates by two of the three expenditure classifications.

Source:

This question specifically relates to the Enacted Budget (as opposed to the EBP). The Appropriation Act No. 4 of 2018 presents national expenditure estimates by administrative and economic, but not functional classification. See pages 10-87:

<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%204%20of%202018.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:

Administrative classification

Economic classification

Source:

<http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%204%20of%202018.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:

The Appropriation Act does present estimates for programs. Consider from page 10 of <http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

While the ENE and Budget Review do provide certain revenue estimates by category, these are part of the EBP, as opposed to the EB which does not include such level of detail.

Comment:

Peer Reviewer

Opinion: Agree

Comments: The enacted budget is the Appropriation Act, which has no revenue information in it. The revenue proposals are enacted through a series of changes to different tax laws (e.g. the income tax act) which are passed separately by Parliament, but without a consolidation of the revenue estimates based on actual amendments passed.

Government Reviewer

Opinion: Agree

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:

While the ENE and Budget Review contain certain information in this regard, the question specifically asks whether the Enacted Budget contains such material, which it does not - therefore a score of D is assigned.

Comment:

Peer Reviewer

Opinion: Agree

Comments: See my comment on the 'source' reference under the previous question.

Government Reviewer

Opinion: Agree

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:

Estimates related to government borrowing and debt are presented in the Budget Review, the Pre-budget statement for 2017/18 which is called the Medium Term Policy Budget Statement . Such information is not presented in the 2018 Enacted Budget which is titled the The Appropriation Act 4 of 2018: <http://www.treasury.gov.za/legislation/acts/2018/Appropriation%20Act%20of%202018.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: This information about 2 estimates is presented in the Budget Review - Table 7.3 supplemented by Statistical Table 1 on Page 191. The Budget Review is tabled together with the Appropriation Bill. Only interest payments are not presented. The budget review and other documents tabled with the Appropriation bill are explanatory narratives to the budget and must not be read in isolation The Budget Review is tabled together with the Appropriation Bill. Only interest payments are not presented. This does need to be considered as the whole package of documents is considered as a set which is tabled in Parliament on the same day.

IBP Comment

The Budget Review is considered part of the Executive's Budget Proposal package. This question asks about the Enacted Budget - that is, the approved budget. Documents from the budget proposal can not be used to answer questions on the approved budget. Answer choice "D" is maintained.

64. What information is provided in the Citizens Budget?

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

*GUIDELINES:*

*Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:*

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

*To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.*

Answer:

a. The Citizens Budget provides information beyond the core elements.

Source:

National Treasury have produced a People's Guide to the 2018 Budget in 5 of the official languages. See the English version at: <http://www.treasury.gov.za/documents/national%20budget/2018/guides/2018%20Peoples%20Guide%20English.pdf>

National Treasury's also releases a document called Budget Highlights which contains some of the core information: macroeconomic outlook, tax proposals, spending programmes and consolidated government expenditure, and contact - see more at <http://www.treasury.gov.za/documents/national%20budget/2018/sars/Budget%202018%20Highlights.pdf>

Comment:

expenditure and revenue totals: 2018 Budget Highlights, page 1; 2018 People's Guide, page 3

the main policy initiatives in the budget: 2018 Budget Highlights, page 1; 2018 People's Guide, page 1-4

the macroeconomic forecast upon which the budget is based: 2018 Budget Highlights, page 1

contact information for follow-up by citizens: 2018 People's Guide, page 1

information beyond the core: Expenditures by sector: 2018 Budget Highlights, page 2; details on impact of changes to taxes: 2018 People's Guide, page 4

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

**GUIDELINES:**

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

**Answer:**

a. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

**Source:**

The Citizen Budget is published via two forms of dissemination - firstly via the internet using the Treasury Website and [www.vulekamali.gov.za](http://www.vulekamali.gov.za) where the People's Budget can be downloaded in 5 different languages:

<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

I am advised by Treasury that printed copies are also distributed but I am not certain of the number and extent of distribution.

**Comment:**

**Peer Reviewer**

Opinion: Disagree

Suggested Answer:

a. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

Comments: Technically, the 'source' reference is not correct as it provides two internet distribution points as two means of distribution. However, the 'a' answer is still correct as it is also distributed via printed copies, some of which goes into newspaper distribution. I could not trace an on-line reference to a newspaper distribution of the People's Budget for the reviewed year, but the Government Reviewer may be able to provide more detail.

**Government Reviewer**

Opinion: Disagree

Suggested Answer:

a. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

Comments: The Citizen Budget distributed using the following media: 1) firstly via the internet using the Treasury Website and the fiscal transparency portal [www.vulekamali.gov.za](http://www.vulekamali.gov.za) where the People's Budget can be downloaded in 5 different languages:

<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx> 2) Newspapers... We also insert copies into newspapers (commercial/mainstream and community media) 3) Social media: We also avail information of the document on social media (Twitter and Facebook). 4) Hard copies are also distributed to the public from all SARS offices and all the 9 provincial treasuries. 5) Television and Radio: the Deputy Minister being interviewed in his office: <https://www.youtube.com/watch?v=LCqPGhGz0zM> and Director General interview on the day of tabling <https://youtu.be/qZeYcgqsUuM> 6) Schedule for radio interviews: <https://drive.google.com/open?id=1B4M7JiAo-dQdcQSkgrhZ1ZUXD7kkriFo> 7) University students budget outreach: Schedule for 2018 visits: <https://drive.google.com/open?id=1LsUJ54nCTpzwAQxIQGfbRoATeL4XLMM8> together with the presentation done <http://www.treasury.gov.za/documents/national%20budget/2018/Budget%202018%20presentation.pdf> Example of published event where National Treasury official presented to university students <https://www.vut.ac.za/national-treasury-budget-outreach-officials-addressed-vut-community/>

**Researcher Response**

Thanks to the feedback, score revised upwards to an A.

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:

a. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, and these mechanisms are accessible and widely used by the public.

Source:

The National Treasury has established mechanisms to identify the public's requirements for budget information - this is less focused on what should appear in the Citizen's Budget and more on what budget asks and reform suggestions have been made by members of the public. These mechanisms are not widely used by the public, but interest appears to be increasing based upon engagement through [www.vulekamali.gov.za](http://www.vulekamali.gov.za) and seemingly the Budget Tips platform: [http://forms.treasury.gov.za/\\_layouts/FormServer.aspx?XsnLocation=http://forms.treasury.gov.za/FormServerTemplates/BudgetLive.xsn&SaveLocation=http://forms.treasury.gov.za/BudgetSuggestionForms&Source=http://forms.treasury.gov.za/\\_layouts/Redirector.aspx?target=http://www.treasury.gov.za/tip.aspx&DefaultItemOpen=1](http://forms.treasury.gov.za/_layouts/FormServer.aspx?XsnLocation=http://forms.treasury.gov.za/FormServerTemplates/BudgetLive.xsn&SaveLocation=http://forms.treasury.gov.za/BudgetSuggestionForms&Source=http://forms.treasury.gov.za/_layouts/Redirector.aspx?target=http://www.treasury.gov.za/tip.aspx&DefaultItemOpen=1)

Comment:

Considering the Guideline for this question and publicly available source documents, and the lack of material that would reveal the extent to which the executive has in fact consulted with the public on the content and presentation of the Citizens Budget, a score of B is appropriate.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, and these mechanisms are accessible and widely used by the public.

Comments: In South Africa the Citizen's Budget has been consistently published since 2000 and feedback opportunities have since been provided through the contact information provided on the publication. The National Treasury website and Vulekamali is accessible to all members of the public engaging with the budget. They can provide information via social media and also "tips for the Minister". Post the 2014 Budget, National Treasury has been conducting Budget Outreach with universities in provinces. It also has ongoing engagements with the civil society organisations.

Note: the current Budget Tips platform is currently under reconstruction - a new one with a different link will only be available by end August 2019.

Researcher Response

In the absence of data and other material that show wide public use of such mechanisms, the score should be a B mindful of the questions guidelines.

IBP Comment

For cross country comparability, answer choice "A" has been selected. South Africa's National Treasury has been publishing Citizens Budgets consistently for a number of years. As noted in the guidelines, in these cases, answer choice "A" applies if the Government provides contact information and a platform to collect inputs, such as the Budget Tips platform.

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

**GUIDELINES:**

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

c. A citizens version of budget documents is published for at least one stage of the budget process.

Source:

A citizens version of the budget documents is published for one stage of the budget process - the citizen's version of the Executive Budget

Proposal is "The People's Guide"

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree  
Suggested Answer:

b. A citizens version of budget documents is published for at least two of the four stages of the budget process.  
Comments: In addition to the above, the audit stage now has the "Citizens Report" published by the Auditor General.  
<https://www.agsa.co.za/Portals/0/AS%20Citizens%20Report%20V8.pdf> During the execution stage, the "People's Guide to the Adjusted Budget" was published on [vulekamali.gov.za](http://vulekamali.gov.za) - by CSOs with National Treasury. [https://data.vulekamali.gov.za/dataset/9c7af295-9362-44ea-9731-b95bb1ea89d3/resource/161140ee-1c5b-4d2c-bce2-05e4f81c5f21/download/peoples\\_guide\\_to-adjusted-budget\\_2018-fa-onscreen.pdf](https://data.vulekamali.gov.za/dataset/9c7af295-9362-44ea-9731-b95bb1ea89d3/resource/161140ee-1c5b-4d2c-bce2-05e4f81c5f21/download/peoples_guide_to-adjusted-budget_2018-fa-onscreen.pdf) Therefore, South Africa published 3

Researcher Response

The AGSA's Citizen Report appears to have been last updated in February 2019 when a user right clicks on the pdf and selects "views the page info". This is outside the survey period which has a deadline for material of 31 December 2018. I have not been able to ascertain a publication date in 2018. The Peoples Guide to the Adjusted Budget was produced by CSO's with grateful input from National Treasury. It however is not a publication of National Treasury that the institution has explicitly endorsed. We would welcome endorsement in future publications and ideally an institutionalized process being developed by National Treasury to support public participation.

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:

b. Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

Source:

The In year reports "Monthly statements of national revenue, expenditure and borrowing" are released monthly, approximately 30 days at the end of each month . The report presents a table of national estimates of expenditure by economic classification and administrative classification

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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:  
Administrative classification  
Economic classification

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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:  
Monthly statements of national revenue, expenditure and borrowing in year reports only provide revenue and expenditure estimates by administrative classification and do not provide program level detail: [http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx)

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

**GUIDELINES:**

*Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.*

*The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.*

*To answer "a," comparisons must be made for expenditures presented in the In-Year Reports*

Answer:

a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

Source:

Yes, See Table 2 of the "Monthly statements of national revenue, expenditure and borrowing" accessible via [http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, In-Year Reports present actual revenue by category.

Source:

Yes, see the tables via [http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx) and especially the following table: [http://www.treasury.gov.za/comm\\_media/press/monthly/1901/Table%201.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1901/Table%201.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.

Source:

Yes - see [http://www.treasury.gov.za/comm\\_media/press/monthly/1901/Table%201.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1901/Table%201.pdf)

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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

**GUIDELINES:**

*Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.*

*The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.*

*To answer "a," comparisons must be made for revenues presented in the In-Year Reports.*

Answer:

a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Source:

yes - see the Monthly statements of revenue, expenditure and borrowing which compare the actual year to date revenues with the budget estimate.

[http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx) - especially Table 1:

[http://www.treasury.gov.za/comm\\_media/press/monthly/1901/Table%201.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1901/Table%201.pdf)

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

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:

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

Source:

See [http://www.treasury.gov.za/comm\\_media/press/monthly/1901/summary.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1901/summary.pdf) which has a Table titled: "Summary table of national revenue, expenditure and borrowing for the month ended 30 November 2018" Also see Table 3: [http://www.treasury.gov.za/comm\\_media/press/monthly/1901/Table%203.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1901/Table%203.pdf)

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The monthly reports provide information on the net borrowing requirement and borrowing, and debt interest cost, but not on the total amount of debt outstanding. Please note that the reference should also include table 2 as that is where the interest on debt is recorded.

Government Reviewer

Opinion: Agree

Researcher Response

See Table 2 info at: [http://www.treasury.gov.za/comm\\_media/press/monthly/1901/Table%202.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1901/Table%202.pdf)

IBP Comment

Score maintained at "A." The South African Reserve Bank's Quarterly Bulletin contains information on total government debt. See pages 54 and 55: <https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/8985/08Statistical%20tables%20%E2%80%93%20Public%20Finance.pdf>

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:

a. Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.

Source:

I was unable to find information specifically relating to the total debt outstanding in the IYR's. While a monthly schedule of Domestic Debt is accessible via <http://investor.treasury.gov.za/Market%20Information/Forms/AllItems.aspx> it does not on my reading meet the requirements to sustain a score of B or A - for instance it only provides domestic debt details and not foreign debt.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: There is no information on total debt outstanding or its composition. The information is only on the debt issued in-year, or on borrowing.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.

Comments: The monthly reports provide information on the new debt issues or debt redeemed for the month. Provisional figures on loan issues,

national revenue fund receipts/payments and cash is accessible [http://www.treasury.gov.za/comm\\_media/press/monthly/1801/mpff.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1801/mpff.pdf)

[http://www.treasury.gov.za/comm\\_media/press/monthly/1801/summary.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1801/summary.pdf) South Africa publishes monthly, all Market Indicators and Information

which is beyond the core elements of debt balances. <http://investor.treasury.gov.za/Pages/MarketIndicatorsandInformation.aspx?RootFolder=%2FHoldings%20of%20domestic%20bonds%2FHistorical%20holdings%20data%2F2018&FolderCTID=0x012000967C866062CD674A85B7722A28FCE371&View={E4C8E435-D6C1-480F-B508-D32D3DF65186}> Moreover, SARB Quarterly Bulletin which provides the relevant information on the

debt portfolio see page 76

<https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/8781/01Full%20Quarterly%20Bulletin%20%E2%80%93%20September%20018.pdf>

018.pdf

Researcher Response

Unfortunately these documents do not on my (or the PR's) reading contain adequate info on the total actual debt outstanding, as required by the question and its guidelines. Score = D.

IBP Comment

Answer changed to A. For cross country comparability, the South African Reserve Bank's Quarterly Bulletin is accepted as an In-Year Report. These reports contain the core information (interest rates, maturity profile, and whether the debt is domestic or external) as well as information beyond the core (such as the currency of the debt). See:

<https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/8985/08Statistical%20tables%20%E2%80%93%20Public%20Finance.pdf>

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:

b. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Source:

See the various chapters of the MYR (called the Medium Term Budget Policy Statement) accessible via

<http://www.treasury.gov.za/documents/mtbps/2018/default.aspx> especially Chapter 1 - 3 and Annexure A. For instance Chapter 2 from page 9 dedicates a detailed narrative to the macroeconomic outlook and factors influencing it.

Chapter 1 has narrative on both the economic and fiscal outlook and revised projections.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

IBP Comment  
For cross-country comparability, answer choice "B" has been selected. The original forecast for the nominal GDP and interest rates are not provided.

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:**

See the 2018 Adjusted Estimates of National Expenditure which provides an extensive and detailed discussion of expenditure to date, marginal changes to allocations and reasons for adjusting expenditure: <http://www.treasury.gov.za/documents/mtbps/2018/aene/FullAENE.pdf>

**Comment:**

Peer Reviewer  
Opinion: Agree

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:**

a. Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:  
Yes, see the AENE: <http://www.treasury.gov.za/documents/mtbps/2018/aene/FullAENE.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The "a" answer is correct, but reference should include the functional table in the MTBP, as a functional breakdown is not provided in the AENE. The functional classification adjustment is in the MTBPS, table 4.1. Incidentally, 4.2 provides the economic adjustment.

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  
Functional classification

Source:  
<http://www.treasury.gov.za/documents/mtbps/2018/aene/FullAENE.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Please include the MTBP for the Functional expenditure adjustment.

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 detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.*

Answer:  
a. Yes, the Mid-Year Review presents estimates for programs accounting for all expenditures.

Source:  
The Medium Term Budget Policy Statement (the MYR) is submitted together with the Adjusted Estimates of National Expenditure (AENE) which presents estimates for programs. The more

detailed mid-year report is effectively the Adjustment Estimates, which provides detailed information by programme :  
<http://www.treasury.gov.za/documents/mtbps/2018/aene/FullAENE.pdf> & <http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

Comment:

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:

Chapter 1 of the MTBPS has "Table 1.2 Consolidated government fiscal framework" while Chapter 3 of the 2018 MTPBPS considers the fiscal outlook (<http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>) and includes narrative and tables that elaborate on "Revenue Performance and Outlook" and the "Medium term revenue outlook" including revised revenue projections.

Comment:

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:

See page 22 where there is a table titled "Table 3.3 Medium-term revenue framework"

Also see the Table on page 58 titled "Table C.2 Main budget framework and financing requirements"  
Link to the above tables is <http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>

Comment:

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:

Table 3.1 of the 2018 MTBPS (at page 21) provides Gross Tax Revenue details <http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf> while Table 3.3 gives the Medium-term revenue framework including Gross Tax Revenue and non-tax revenue.

Comment:

Peer Reviewer  
Opinion: Agree

Comments: I agree with "a", but the argument is rather that whereas in Table 3.1 individual sources of tax revenue is presented, not the individual sources of non-tax revenue (fines, interest received, dividends etc). However, as the non-tax revenue is less than 3% of total revenue, it would mean that presenting individual sources of tax revenue still is sufficient for an "a" answer, according to the guidance.

Government Reviewer  
Opinion: Agree

Researcher Response  
Noted with thanks

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:

See "Table 3.8 Total national government debt" and "Table 3.9 National government gross borrowing requirement and financing" at pages 27 and 28 of the 2018 MTBPS - which contains the outcome for the previous year, the budget and revised estimate for 2018/19 and medium term estimates of govt. borrowing and debt for the 3 outer years: <http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Maturity profile (long term versus short term) and domestic and foreign, and whether fixed or inflation-linked debt for the long-term domestic borrowing is provided in summary form at high level. Interest cost is provided in table 3.6, not one of the tables referenced.

Government Reviewer

Opinion: Agree

IBP Comment

For cross country comparability, this indicator's answer has been adjusted to "B." Tables 3.6, 3.8, and 3.9 provide revised/updated estimates for net new borrowing, total debt burden, interest payments, the maturity profile, and whether the debt is domestic or external. Only the revised estimate for net new borrowing is compared with the original estimate. Updated information on interest rates are not presented.

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:

See Tables 3 and 6 and accompanying narrative of the Consolidated Financials for the year ended 31 March 2017: <http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Only table 6 is relevant. Table 3 does not provide the enacted or adjusted levels.

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:**

See Tables 3 and 6 of the Consolidated Financials for the year ended 31 March 2017:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20017.pdf>

See Table at p.77 of the 2017/18 Dept. of Basis Education that provides functional level detail:

<https://www.education.gov.za/Portals/0/Documents/Reports/201718%20Annual%20Report.pdf?ver=2018-09-26-125541-803>

**Comment:**

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree

**Suggested Answer:**

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Comments: Page 18, table 6 and others - Admin classification Page 19, table 7, 9, 10, and others - Economic classification Page 19 onwards, from Table 8 - Functional classification:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf>

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:**

Consolidated Financials for the year ended 31 March 2017:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20017.pdf>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree  
Suggested Answer: Administrative classification Economic classification Functional classification  
Comments: The consolidated financials show percentage spent by cluster which a functional classification Page 19 onwards, from Table 8 - <https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf>

IBP Comment  
Answer adjusted.

86. Does the Year-End Report present expenditure estimates for individual programs?

**GUIDELINES:**

*Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.*

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

*To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.*

Answer:

a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

Source:

The YER (Consolidated Financials for the year ended 31 March 2017: <http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>) . For individual programmes one would have to consider Departments and Entities Annual Reports which are available but are not contained in the single YER.

Comment:

Peer Reviewer  
Opinion: Agree

Comments: A better reference would be to leave out the Consolidated Financial Statements, as this document does not provide any programme level expenditure information. The information is provided routinely in the individual departmental annual reports, however. The Education report quoted in the previous question would be an example.

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:

The Consolidated Financial Statement includes some information on revenues. While no comparison with the enacted levels is provided, some comparisons with the previous year's outcomes are shown.

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of the differences between the enacted levels and the actual outcome for revenues are not presented.

Comments: Page 253 in the Consolidated Financial Statements for 2016/17 provides a reconciliation with the Budget Review, but no reconciliation or 'estimates of the differences' between the enacted levels and the actual levels for outcomes is presented. the Budget Review is equal to the Executive Budget Proposal.

Government Reviewer

Opinion: Agree

IBP Comment

While the Consolidated Financial Statements do not include a comparison of the enacted levels and actual outcome for revenues, the departmental annual reports do include this information. For this reason, this answer has been adjusted to "A." See: Department of Basic Education, page 15: <https://www.education.gov.za/Portals/0/Documents/Reports/DBE%20Annual%20Report%202017.pdf?ver=2017-09-26-090956-673> National Treasury, page 20: <http://www.treasury.gov.za/publications/annual%20reports/national%20treasury/nt%20annual%20report%202016-17.pdf> South African Revenue Service, page 28: <https://www.sars.gov.za/AllDocs/SARSEntDoclib/AnnualReports/SARS-AR-22%20-%20Annual%20Report%202016-2017.pdf>

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:

See the NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2017 at page 63 of

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

Comment:

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:**

See

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20017.pdf> at page 13;

**Comment:**

**Peer Reviewer**

Opinion: Agree

Comments: Page 13 does not present individual sources of revenue. But page 63 does.

**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:

See page 15 and 16 that relate to Debt Service costs and which includes a narrative and table but not comprehensive enough to warrant a higher score than C:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

Comment:

\* the amount of net new borrowing required during the budget year: See p.283/275 at note 21 which records the increase/decrease in borrowings required between 2016/16 and 2016/17

\* the central government's total debt burden at the end of the budget year: pg 41

\* the interest payments on the outstanding debt for the budget year: very limited details within the YER.

\* interest rates on the debt: very limited details provided

\* maturity profile of the debt: limited details at p. 273/265 of

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

\*whether the debt is domestic or external: There is a breakdown at page 261/253 for 2015/15 and the 4 preceding years, and distinguished between domestic and foreign debt.

Peer Reviewer

Opinion: Agree

Comments: the "c" answer is still correct, but only because a reconciliation - or presentation of differences between original estimates and outcomes -- is provided only for the new borrowing requirement, and then at a stretch, as the information presented is on the deficit, which is reconciled with the Budget Review. Page 41 tables does not present differences, just outcomes (for government debt) Interest cost on debt is not reconciled -- so differences are not presented. All the other tables and pages quoted does not provide a reconciliation/present differences. Only the outcomes. Estimates of debt service costs are presented, but not the difference between enacted levels and actual levels. the table on page 253/263 presents the budget deficit difference to the Budget Review, not the enacted budget. In any case, no information on differences for debt. Just on actual borrowing.

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: <https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf> Table 36 - shows % change/movement in borrowings - and a narrative. Table 37 - shows a split between foreign and domestic debt - and a narrative. In the notes on Page 78 - 23, shows split as well as an indication of new (created) even the maturity profile (redemption analysis)

Researcher Response

Thanks for the feedback - after further consideration, score to remain a C.

IBP Comment

This question asks if the differences between the original projections and actual outcomes for the estimates below: Consolidated Financials Statement 2016/17:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf> Debt Management Report 2016/17:

<http://www.treasury.gov.za/publications/other/Debt%20Report/Debt%20Management%20Report%202016-17.pdf> the amount of net new borrowing required during the budget year: CFS page 275; DMR page 11 the central government's total debt burden at the end of the budget year: CFS Table 37 only shows total, no original projections; DMR page 41 shows the original budget, revised budget, and preliminary outcome for total debt outstanding the interest payments on the outstanding debt for the budget year: DMR page 43; not included in the CFS interest rates on the debt: no differences between originals and actuals presented maturity profile of the debt: no differences between originals and actuals presented whether the debt is domestic or external: CFS page 253 contains only actuals no original projections; DMR page 41 includes the original budget, revised budget, and preliminary outcome For cross-country comparability, answer choice "B" has been selected. While some core elements are missing, a great deal of "beyond the core" information are presented, which according to OBS guidelines allows for a "B" response.

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  
Information beyond the core elements:

Source:

See Section on Debt Service Costs and also Table 36: Borrowings and Graph 36 and Table 37 Government Debt at page 41 of <http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20017.pdf>

Comment:

\* the amount of net new borrowing required during the budget year: See p.283/275 at note 21 which records the increase/decrease in borrowings required between 2015/16 and 2016/17  
\* the central government's total debt burden at the end of the budget year: pg 41  
\* whether the debt is domestic or external: There is a breakdown at page 261/253 for 2015/15 and the 4 preceding years, and distinguished between domestic and foreign debt.

Peer Reviewer

Opinion: Disagree

Suggested Answer: Only the amount of net borrowing required should be ticked. the other is not presented as differences, but just as outcomes.

Government Reviewer

Opinion: Disagree

Suggested Answer:

IBP Comment

This question asks if the differences between the original projections and actual outcomes for the estimates below: Consolidated Financials Statement 2016/17:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf> Debt Management Report 2016/17:

<http://www.treasury.gov.za/publications/other/Debt%20Report/Debt%20Management%20Report%202016-17.pdf> the amount of net new borrowing required during the budget year: CFS page 275; DMR page 11 the central government's total debt burden at the end of the budget year: CFS Table 37 only shows total, no original projections; DMR page 41 shows the original budget, revised budget, and preliminary outcome for total debt outstanding the interest payments on the outstanding debt for the budget year: DMR page 43; not included in the CFS interest rates on the debt: no differences between originals and actuals presented maturity profile of the debt: no differences between originals and actuals presented whether the debt is domestic or external: CFS page 253 contains only actuals no original projections; DMR page 41 includes the original budget, revised budget, and preliminary outcome

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:

c. Yes, estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented.

Source:

Information regarding the macroeconomic forecast (original or adjusted) is not provided in National Treasury's Consolidated Financial Statement for the year ended 31 March 2017.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree  
Suggested Answer:

a. Yes, estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

Comments: <https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf> Page 14 & 15 give the differences as well as narrative, include debt related on page 17.

Researcher Response

Thanks for the feedback. The pages provided by the GR look only at expenditure, revenue, and debt actuals, and dont provide a comparison between the original projected macroeconomic estimates and the actuals. The Executive Summary of the CFS does include some discussion about the initial project GDP growth rate for 2016/17 and the subsequent revisions. It then talks about projected GDP growth for 2017 and 2018. Based on this feedback, score revised from a D to C.

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:  
Real GDP growth

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree

Suggested Answer: Nominal GDP level Inflation rate Real GDP growth

Comments: Nominal GDP level - Pg 9, para. 2 Inflation rate - Pg 25 Real GDP growth - Pg 9, 105 & 243

Researcher Response

Real GDP growth detail noted based on further feedback.

IBP Comment

Only the differences between the original projection of the GDP growth rate and the actuals is presented. See page 9.

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

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:

a. Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, along with a narrative discussion.

Source:

National Treasury Consolidated Financial Statements presents year end financial information. Year end reporting on non financial data is not presented in one single document by the Treasury. Year end reporting on non financial data is produced by government departments in their individual year end reports called "Annual reports".

See Annual Report examples:

<https://www.education.gov.za/Portals/0/Documents/Reports/201718%20Annual%20Report.pdf?ver=2018-09-26-125541-803>

<http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018>

[http://www.dhs.gov.za/sites/default/files/u16/AR%20WEB%20UPDATE\\_12-2018\\_1.pdf](http://www.dhs.gov.za/sites/default/files/u16/AR%20WEB%20UPDATE_12-2018_1.pdf)

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

Comments: None of the information presented that I've checked on staff and other inputs is a reconciliation between the original estimates and the actual outcome. They are all only actual outcomes. If the researcher could point to a specific table or text that presents the differences and discuss the differences (rather than just the outcomes), it can be checked more precisely.

Government Reviewer

Opinion: Agree

Researcher Response

For example, see Part B: Performance Information in the departmental annual reports. These include a comparison of original and actual non-financial information, as well as a discussion.

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:

a. Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, along with a narrative discussion.

Source:

National Treasury Consolidated Financial Statement presents certain year end financial information. Year end reporting on non-financial data is not presented in one single document by the Treasury. Year end reporting on non financial data is produced by government departments in their individual year end reports called "Annual reports". For examples of year end reporting which discusses at length the original estimates of non financial data on results and the actual income see:

<https://www.education.gov.za/Portals/0/Documents/Reports/201718%20Annual%20Report.pdf?ver=2018-09-26-125541-803> - especially Part B thereof and at page 42 to 122.

[http://www.dhs.gov.za/sites/default/files/u16/AR%20WEB%20UPDATE\\_12-2018\\_1.pdf](http://www.dhs.gov.za/sites/default/files/u16/AR%20WEB%20UPDATE_12-2018_1.pdf)

<http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018>

Comment:

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:**

a. Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, along with a narrative discussion.

**Source:**

Estimates of the differences between the enacted level (mid year enacted adjusted allocations) of funds and policies directly related to the country's impoverished populations can be found in National Treasury Consolidated Financial Statements for the year ended 2017 - See "Table 6: Actual Expenditure vs. Adjusted Appropriation 2016/17" at page 17 of <http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

**Comment:**

Peer Reviewer  
Opinion: Disagree  
Suggested 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.

Comments: The quoted table presents the differences between the enacted level of administrative classification at the departmental level. The Consolidated Financial Statements does not present information on outcome versus enacted levels of policies within these departments aimed at the poor. The closest that would come in the YER is where individual programmes or sub-programmes are considered to be as a whole, equal to pro-poor policies but I think this would stretch the intent of this question too far. If, in comparison to other countries, this is considered to be passable, at best, it would be a "c" then.

Government Reviewer  
Opinion: Agree

**IBP Comment**

For cross country comparability, answer choice "A" is maintained. As noted in the guidelines, program-based budgets that identify clear anti-poverty programs within each administrative unit is acceptable to use in this question.

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:

a. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, along with a narrative discussion.

Source:

Such info would appear in the Annual Reports of each institutions with extra-budgetary funds, and would provide the original budget and outcome information. For examples please see:

[https://www.gov.za/sites/default/files/gcis\\_document/201810/labour-annual-report-20172018.pdf](https://www.gov.za/sites/default/files/gcis_document/201810/labour-annual-report-20172018.pdf) and especially p.70 that provides details on the Compensation Fund, while p.73 also has info on the Unemployment Insurance Fund. Also see additional financial information on both Funds at page 144 of the link. There is some narrative discussion.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

**GUIDELINES:**

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:

a. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

Source:

See the Consolidated Financial Statement for the year ended 31 March 2017:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Note that financial statements are also part of the individual department YERs

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

**GUIDELINES:**

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more detail.
- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more details. ≈

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

**Answer:**

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

**Source:**

South Africa's SAI (the Auditor-General of South Africa) undertake all three types: <https://www.agsa.co.za/AuditInformation/AuditReporting.aspx>  
<https://www.agsa.co.za/Reporting.aspx>

Also these three types are permitted by the AG's enabling law - the Public Audit Act:  
<https://www.agsa.co.za/AboutUs/Legislation/PublicAuditAct.aspx>

**Comment:**

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

**GUIDELINES:**

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.

**Answer:**

a. All expenditures within the SAI's mandate have been audited.

Source:

See generally: <https://www.agsa.co.za/Reporting/PFMAReports/PFMA2017-2018.aspx>

and more specifically <https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/Section%201%20-%20Executive%20Summary.pdf>

Comment:

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:

a. All extra-budgetary funds within the SAI's mandate have been audited.

Source:

While section 4 of the Public Audit Act mandates the SAI to audit every department and public entities, it is not apparent or easily established, the extent to which extra-budgetary funds are in fact audited by the SAI.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. All extra-budgetary funds within the SAI's mandate have been audited.

Comments: it is true that it is difficult to establish. However, if one does a random selection of the biggest off budget funds (unemployment insurance, compensation fund, road accident fund) they are all audited and the audit reports are included in their annual reports. Plus, as government entities, they are required to submit annual reports, inclusive of an audit report. While formal requirement is not equal to practice, I cannot recall any off-budget funds/entities that did not release an annual report.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. All extra-budgetary funds within the SAI's mandate have been audited.

Comments: The South African SAI has no option to make a selection. They are bound by the Public Audit Act to audit every department and the public entities (Section 4.1). <https://www.gov.za/documents/public-audit-act> Hence the Consolidated Report has all departments - see page 115 and entities - see from page 150 and list of entities on page 158.

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf>

Researcher Response

Feedback appreciated. Score revised to an A.

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

**GUIDELINES:**

*Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.*

*To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.*

Answer:

a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

Source:

See <https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/Section%201%20-%20Executive%20Summary.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

**GUIDELINES:**

*Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.*

*To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.*

Answer:

b. Yes, the executive reports publicly on most audit findings.

Source:

Annual Reports of all government departments contain a section with the report of the Audit Committee and a report from the Auditor General. Each department to a certain extent discusses how issues raised by the Auditor General have been or will be addressed. To some extent, this information may be found in the department's Annual Reports. It is not always comprehensive.

For an example - see pg 29 of the National Health Dept 2018 Annual Report (<http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018>) where it is recorded as follows but no exact details regarding each audit finding and responses by the executive are provided :

Auditor-General's Report

The Audit and Risk Committee has met and discussed the audit outcomes with the AGSA and Management to ensure that there are no unresolved findings. We have also reviewed the department's implementation plan for the audit findings raised in the AGSA management report and continuous oversight will be exercised to ensure that all findings are adequately addressed.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree

Suggested Answer: a. Yes, the executive reports publicly on what steps it has taken to address audit findings.

Comments: Both the SAI and legislature report publicly on what steps the executive has taken to address audit findings See AGSA General Report 2016/17, Section "Audit outcomes of individual portfolios" Sections 55 and 56 of the RSA Constitution empower Parliamentary committees to call on the executive to report publicly on what steps it has taken to address all audit recommendations. Executive discusses what steps they have taken when tabling their Annual Reports for the portfolio committees to consider. Annual Reports: <https://pmg.org.za/page/AR2017-2018> Parliamentary committee meeting reports are published and publicly available <https://pmg.org.za/>

Researcher Response

Appreciate the feedback - the question guidelines and source material support a B score as opposed to an A.

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:

b. Yes, the SAI or legislature reports publicly on most audit recommendations.

Source:

Sections 55 and 56 of the Constitution of the Republic of South Africa empowers Parliamentary committees to call on the executive to report publicly on what steps it has taken to address audit findings and recommendations.

The Executive tend to document and explain what action they have taken when tabling their Annual Reports before Parliamentary committees. Parliamentary committee meeting reports are published and publicly available - see [www.pmg.org.za](http://www.pmg.org.za)

<https://www.agsa.co.za/Reporting/PFMAReports/PFMA2017-2018.aspx>

Comment:

Sections 55 and 56 of the Constitution of the Republic of South Africa empowers Parliamentary committees to call on the executive to report publicly on what steps it has taken to address audit findings and recommendations.

The Executive discuss what steps they have taken when tabling their Annual Reports for the portfolio committees to consider. Parliamentary committee meeting reports are published and publicly available - see [www.pmg.org.za](http://www.pmg.org.za)

Both the Auditor General of South Africa and Legislature report publicly on what steps the executive has taken to address audit findings. See AGSA General Report

Peer Reviewer  
Opinion: Agree

Comments: The strongest reference is to the AGSA report. The reference to committee reports (that report on Departments presenting their ARs that include a section on how they are responding) would only in some cases include discussion of this, but does not equal a systematic reporting or reconciliation by committees on whether departments are responding.

Government Reviewer  
Opinion: Disagree

Suggested Answer:

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

Comments: Both the SAI and legislature report publicly on what steps the executive has taken to address audit findings See AGSA General Report ,

Section "Audit outcomes of individual portfolios" Sections 55 and 56 of the RSA Constitution empower Parliamentary committees to call on the executive to report publicly on what steps it has taken to address all audit recommendations. Executive discusses what steps they have taken when tabling their Annual Reports for the portfolio committees to consider. Parliamentary committee meeting reports are published and publicly available. The Constitution of the Republic of South Africa, 1996 <http://www.gov.za/sites/www.gov.za/files/images/a108-96.pdf>  
<https://www.agsa.co.za/Portals/0/Reports/PFMA/201718/GR/Section%205%20-%20Financial%20management%20in%20national%20and%20provincial%20departments.pdf>  
<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/15.%20For%20fin.%20year%20ending%2031-03-2018/CFS%20Report.pdf>

Researcher Response

Based on the question guidelines, score to remain a B.

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:

a. Yes, there is an IFI, its independence is set in law, and it has sufficient staffing and resources, including funding, to carry out its tasks.

Source:

<http://www.ffc.co.za/>  
<https://www.parliament.gov.za/parliamentary-budget-office>

Comment:

The Finance and Fiscal Commission was established in accordance with the Constitution and its mandate is to make recommendations to Parliament, provincial legislatures, organised local government and other organs of state on financial and fiscal matters as envisaged in the Constitution and other national legislation.

The Money Bills Amendment Procedure and Related Matters Act No.9 of 2009 provides for the establishment of the Parliamentary Budget Office. Section 15(1) of the Act reads as follows: "There is hereby established a Parliamentary Budget Office headed by a Director, the main objective of which is to provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills."

Concerns have been raised that the PBO is not sufficiently independent, alongside other concerns : <https://pmg.org.za/committee-meeting/24753/>; <https://pmg.org.za/committee-meeting/27139/>; <http://pmg-assets.s3-website-eu-west-1.amazonaws.com/181009submission.pdf>

The answer options do not allow for an answer that distinguishes between two types of IFI's and the extent to which one may or may not be sufficiently independent.

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:**

c, No, the IFI does not publish its own macroeconomic or fiscal forecast, but it does publish an assessment of the official macroeconomic and/or fiscal forecasts produced by the executive.

**Source:**

[www.ffc.co.za/docman-menu-item/commission-submissions/1262-final-approved-version-ffc-submission-on-2018-fiscal-framework-revenue-proposals-update](http://www.ffc.co.za/docman-menu-item/commission-submissions/1262-final-approved-version-ffc-submission-on-2018-fiscal-framework-revenue-proposals-update)

<https://www.parliament.gov.za/storage/app/media/PBO/qbrief-2018-09.pdf>

**Comment:**

I was unable to locate or access ([www.ffc.co.za](http://www.ffc.co.za) had sub-pages that were not loading) more recent (2016/17 or 2017/18) versions of:

[www.ffc.co.za/docman-menu-item/commission-submissions/758-2015-16-chapter-1-macroeconomic-perspectives-and-fiscal-frameworks](http://www.ffc.co.za/docman-menu-item/commission-submissions/758-2015-16-chapter-1-macroeconomic-perspectives-and-fiscal-frameworks)

Unlike in 2016 when the PBO published a Pre-Budget Report (<https://www.parliament.gov.za/storage/app/media/PBO/2016-pre-budget.pdf>), the same has not occurred in 2017 or 2018. The PBO has produced Quarterly Briefs which consider economic developments - the latest being from September 2018 (<https://www.parliament.gov.za/storage/app/media/PBO/qbrief-2018-09.pdf>)

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

Comments: The FFC tables in parliament when called to comment on the fiscal framework - so it is available on the PMG website. [www.pmg.org.za](http://www.pmg.org.za)

**IBP Comment**

Answer choice "C" maintained.

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:**

c. Yes, the IFI publishes its own costings of a limited number of new policy proposals.

**Source:**

**Comment:**

The PB has issued some publications in this regard but only in 2017 and earlier - see <https://www.parliament.gov.za/parliamentary-budget-office>

For FFC policy briefs running until 2017: <http://www.ffc.co.za/reports/policy-briefs>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

Comments: it is the function of the PBO to monitor and synthesise matters and reports tabled and adopted in a House with budgetary implications, with particular emphasis on reports by other Committees. This is in terms of the Money Bills Act:

[http://www.parliament.gov.za/content/act%209%20-%202009%20\(money%20bill%20amendment%20procedure\).pdf](http://www.parliament.gov.za/content/act%209%20-%202009%20(money%20bill%20amendment%20procedure).pdf) The PBO and the FFC do publish their own costing. The FFC makes annual recommendations as well as publishing ad hoc research. This includes detailed costings of proposed, new, or ongoing policies. Annually, a Budget Review which consists of funded policies of government as tabled, is analysed and documents are made public. <https://www.fin24.com/Budget/Budget-and-Economy/budget-2018-parliamentary-budget-office-raises-key-risks-concerns-20180227> The FFC does not cost most policies but may choose to comment on some costings – in terms of prioritization and given institutional independence, the Commission will decide what to do more detail on. <https://www.ffc.co.za/docman-menu-item/commission-submissions/1262-final-approved-version-ffc-submission-on-2018-fiscal-framework-revenue-proposals-update>

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:**

a. Frequently (i.e., five times or more).

**Source:**

<http://www.ffc.co.za/media-events/presentations>  
<https://pmg.org.za/committee-meeting/27177/>  
<https://pmg.org.za/committee-meeting/27375/>  
<https://pmg.org.za/taled-committee-report/3634/>

**Comment:**

The FFC lists 6 briefings for 2018 but its not easily ascertainable whether all or most of these were before committees of the legislature. One of the 6 briefings is listed as being before the the Health Portfolio Committee of Parliament on 17 April 2018.

On 10 October 2018, the PMG has records of the FFC Chairperson appearing before the Health Portfolio Committee to brief them on the Health Sector 2017/18 Annual Report: <https://pmg.org.za/committee-meeting/27177/> - PowerPoint viewable at <https://pmg.org.za/files/1/181010FFC.pptx>

PMG records provides minutes of the Finance Standing Committee which show that both the PBO and FFC appeared on 30 October and gave presentations on the MTBPS: <https://pmg.org.za/committee-meeting/27375/>

PMG has a report of the Standing Committee of Appropriations dated 27 Nov 2018 which includes submissions by both the FFC and PBO: <https://pmg.org.za/taled-committee-report/3634/>

The PBO lists its "Committee Requests" at <https://www.parliament.gov.za/parliamentary-budget-office#COMMITTEEREQUESTS> but none are listed for 2018, with only 2017 and 2016 material available.

#### Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Frequently (i.e., five times or more).

Comments: In 2018: <https://pmg.org.za/taled-committee-report/3687/> <https://pmg.org.za/committee-meeting/27375/>

<https://pmg.org.za/committee-meeting/27295/> <https://pmg.org.za/committee-meeting/26799/> <https://pmg.org.za/daily-schedule/1010/>

<https://pmg.org.za/daily-schedule/1004/> <https://pmg.org.za/daily-schedule/1021/> For example, just on the PBO for 2018.

#### Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Frequently (i.e., five times or more).

Comments: The FFC normally appears before Parliament 3 times at MTBPS and 3 times following the Budget making it more than 5 times  
file:///C:/Users/4922/Downloads/FFC\_ANNUAL\_REPORT\_2016-17.pdf

#### Researcher Response

Feedback appreciated - score revised to an A.

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:

a. Yes, the full legislature debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.

#### Source:

Immediately prior to the EBP (i.e. a few days or weeks before) the legislature does not debate budget policy. However during the PBS (ordinarily

tabled in late October) when the Medium Term Budget Policy Statement (MTBPS) is tabled, the legislature gets an opportunity to debate budget policy and any proposed adjustments and make recommendations.

This then culminates in the tabling of an Adjustments Appropriation Bill and Division of Revenue Amendment Bill that legalise adjustments recommended by the Finance Ministry and Treasury and ultimately agreed to by the Legislature when they pass these Adjustment and Amendments Bills. See further in this regard: <http://www.treasury.gov.za/documents/mtbps/2018/default.aspx>

**Comment:**

When the Medium Term Budget Policy Statement has been tabled, parliament gets an opportunity to debate the budget policy and to also make recommendations. This occurs within the full legislature and also at committee level.

Peer Reviewer

Opinion: Agree

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:**

<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

**Comment:**

Received by the Legislature on 21 February 2018 according to <http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

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:

d. The legislature approves the budget more than one month after the start of the budget year, or does not approve the budget.

Source:

Section 10 (7) of the Money Bills Amendment Procedure and Related Matters Act of 2009 makes provision for Parliament to pass, with or without amendments, or reject the Appropriation Bill within four months after the start of the financial year to which it relates.  
[http://www.gov.za/sites/www.gov.za/files/32127\\_426.pdf](http://www.gov.za/sites/www.gov.za/files/32127_426.pdf) ([http://www.gov.za/sites/www.gov.za/files/32127\\_426.pdf](http://www.gov.za/sites/www.gov.za/files/32127_426.pdf))

Section 29 of the Public Finance Management Act makes provision for spending to occur before the annual budget is approved.  
<http://www.treasury.gov.za/legislation/pfma/act.pdf> (<http://www.treasury.gov.za/legislation/pfma/act.pdf>)

Parliament's Standing Committee on Appropriations adopted its report (<https://pmg.org.za/committee-meeting/26457/>) on the Appropriations Bill on 22 May 2018 in which it recommended that "the National Assembly adopts the Appropriation Bill [B3-2018], without amendments."

Comment:

The 2018/19 budget was approved by the NA on 25 May 2018 and approved by the NCOP on 28 June 2018.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: It is important to note that although the approval takes place more than one month after the start of the financial year, this does not in any way affect the implementation of the budget and new policies as the PFMA provides for Departments to start spend before approval 45 per cent of last year's budget. This is to allow for proper consultation with all stakeholders.

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:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:

The legislature has authority in law: Section 10 of the Money Bills Amendment Procedure and Related Matters Act of 2009 provides procedures, guidelines norms and standards for amending bills so in that sense there are some limitations:  
[https://www.gov.za/sites/default/files/gcis\\_document/201409/32127426.pdf](https://www.gov.za/sites/default/files/gcis_document/201409/32127426.pdf)

Comment:

See above

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree  
Suggested Answer:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Comments: The legislature has unlimited authority: it can change revenue, deficit and expenditure proposals, provided that it does so in the right sequence. More specifically, it cannot go back and change the fiscal framework proposals, once it starts considering detailed allocations within the aggregate expenditure ceiling. Then it has to work on a pay as you go basis. Section 10 of the Money Bills Amendment Procedure and Related Matters Act 2009 provides procedures, guidelines norms and standards for amending bills

Researcher Response

Considering the feedback, score changed to an A.

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:

b. Yes, the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but no amendments were adopted.

Source:

See sources provided in answer to question 110. Consideration of the report (<https://pmg.org.za/committee-meeting/26457/>) of the Standing Committee on Appropriations dated 22 May 2018 reveals that the committee proposed the adoption of the Appropriation Bill without any amendments.

See the following excerpt from the report:

"While Mr D Maynier, MP, presented 170 adjustment proposals to the Bill in the amount of R5.36 billion to provide for an increase in the Child Support Grant under Vote 17, Social Development, to a level that is in line with the "food poverty line" in South Africa. After deliberations on the submission which affected 31 Budget Votes, the Committee did not support the proposed amendments.

The Standing Committee on Appropriations recommends that the National Assembly adopts the Appropriation Bill [B3-2018], without amendments."

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree  
Suggested Answer:

b. Yes, the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but no amendments were adopted.

Comments: The excerpt above suggests that members of the legislature did exercise their authority to make inputs even though there were no amendments effected, therefore the score should be B not C in line with the excerpt included. Moreover, in the 2017 financial year the Adjusted appropriation was amended and 2019 the Appropriation bill were amended

[http://www.treasury.gov.za/comm\\_media/speeches/2019/Minister%20of%20Finance%20Speech%20on%20the%20Special%20Appropriation%20Bill.pdf](http://www.treasury.gov.za/comm_media/speeches/2019/Minister%20of%20Finance%20Speech%20on%20the%20Special%20Appropriation%20Bill.pdf) but this was not done in the year under assessment

Researcher Response

Thanks for the feedback - score adjusted to a B.

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:**

a. Yes, a specialized budget or finance committee had at least one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

**Source:**

After the tabling of the Budget in February 2018, the Standing Committee on Appropriations held various hearings/briefings and meetings during March, April and May 2018 regarding the Division of Revenue Bill and the Appropriations Bill - see for instance: <https://pmg.org.za/committee-meeting/25944/>; <https://pmg.org.za/committee-meeting/25946/>; <https://pmg.org.za/committee-meeting/25960/>; <https://pmg.org.za/committee-meeting/26279/>; <https://pmg.org.za/committee-meeting/26306/>; <https://pmg.org.za/committee-meeting/26324/>; <https://pmg.org.za/committee-meeting/26358/>; <https://pmg.org.za/committee-meeting/26457/>; before the Budget was adopted.

**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:

a. Yes, sector committees had at least one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

Source:

See the Committee Report on the Basic Education Budget which is an annexure to the minutes of their 2 May 2018 meeting available at <https://pmg.org.za/committee-meeting/26276/>

See the Committee Report on the Health APP and Budget which is an annexure to the summary of their 25 April 2018 meeting available via <https://pmg.org.za/committee-meeting/26240/>

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:

a. Yes, a committee examined in-year implementation on at least three occasions during a fiscal year, and it published reports with findings and recommendations.

Source:

On 20 March 2018, Parliaments Standing Committee on Appropriations were briefed by National Treasury on the 3rd quarter spending results for 2017/18 and produced a report - see <https://pmg.org.za/committee-meeting/26033/>

On 21 August 2018, the same committee was briefed by National Treasury on the first quarter (of 2018/19) spending results - see <https://pmg.org.za/committee-meeting/26855/>

On 24 August 2018, the same committee were briefed by Parliamentary researchers on the 1st quarter expenditure trends by departments - see <https://pmg.org.za/committee-meeting/26908/>

On 16 October the same committee met to consider and then adopt their report on Quarter 1 Expenditure performance - see

<https://pmg.org.za/committee-meeting/27235/>

Between 21 and 28 November 2018 there were various meetings and briefings to consider Adjustment Appropriations motivations. See these at <https://pmg.org.za/committee/61/?filter=2018>

Comment:  
See above under source docs.

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:**

a. The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, and it does so in practice.

**Source:**

The PFMA requires an Adjustment Appropriation Bill to be tabled before Parliament for consideration and which proposes changes to the original budget tabled. See section 30 of the PFMA:  
<http://www.treasury.gov.za/legislation/PFMA/Public%20Finance%20Management%20Act%20No%201%20of%201999%20Government%20Gazette%2038735%20dated%2030%20April,%202015.pdf>

**Comment:**

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

**GUIDELINES:**

*Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.*

*Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.*

**Answer:**

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:**

Section 30(2) (a) of the PFMA is the authority for answer (a): See this section via <http://www.treasury.gov.za/legislation/PFMA/default.aspx> (<http://www.treasury.gov.za/legislation/PFMA/default.aspx>)

**Comment:**

Section 30 2 (a) of the Public Finance Management Act of 1999 provides that the Minister is obliged to obtain approval for adjustments required due to any significant and unforeseeable economic and financial events (positive or negative) affecting the fiscal targets set by the annual budget; <http://www.treasury.gov.za/legislation/PFMA/default.aspx> (<http://www.treasury.gov.za/legislation/PFMA/default.aspx>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

**GUIDELINES:**

*Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.*

*Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.*

**Answer:**

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:

Section 30 of the PFMA provides specific instances when the Enacted Budget may be adjusted. See <http://www.treasury.gov.za/legislation/PFMA/Public%20Finance%20Management%20Act%20No%201%20of%201999%20Government%20Gazette%2038735%20dated%2030%20April,%202015.pdf>

Comment:

As above

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Comments: The adjustment budget specification quoted does not include any specification that adjustment budgets will include when less than appropriated amounts are spent. It is only when these amounts are shifted to cover expenditure elsewhere, that the adjustment budgets may include it. Note that the section is explicitly formulated to include all provisions that may be included in the adjustment budgets, and it does not include when less than an enacted amount is spent.

Government Reviewer

Opinion: Agree

Researcher Response

Score revised to a D after considering the feedback from the PR.

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:

a. Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations.

Source:

On 10 October 2018 the Standing Committee on Public Accounts and the Standing Committee on Appropriations were jointly briefed by the Auditor-General on the 2017/18 audit outcomes of National and Provincial Departments - see more at <https://pmg.org.za/committee-meeting/27176/>. These committees did not however publish a report with findings and recommendations so a score of (C) is appropriate.

Comment:

See above

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations.

Comments: The AG Report was made available for 2017/18 in November 2018. The reported committee meeting occurred on 10 October 2018, so prior to the publication in fact. However, this is not the substantive meeting of SCOPA on the AG report, which is why the committee does not publish

a report. Similar to the YER, the AG's reports are also dispersed with an individual report for each department, published with the department's AR. So, the substantive meeting of the public accounts committee on the AR, is in fact a series of meetings with the departments, considering their individual AG reports – these meetings take place after the Departmental (and entity) annual reports are tabled in parliament by end September. These meetings and reports may be several months later, some starting as soon as within three months and others after six months. My argument for a however is as follows: the question asks about 'a' committee of parliament. The Audit reports for each Department is considered by the sector committees for each department with substantial committee reports (BRRRs) tabled in parliament, published by parliament and sent to the relevant minister before 30 days after the tabling of the MTBPS. In 2018 the MTBPS was tabled end October, so before end November, a committee of parliament would have considered the AG's report for each department and published a report on it. This is within two months after the AG reports were submitted to Parliament with the Annual Reports for each Department. A check in a few BRRRs show that the committees consider and comment on the AG's reports.

Government Reviewer  
Opinion: Agree

Researcher Response  
After considering the detailed feedback, score changed to an A.

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:**

a. Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.

**Source:**

The SAI for South Africa is known as the Auditor-General (AG). According to s.193(4) of the SA Constitution, Parliament recommends to the President who should be appointed as the AG for a fixed term of between five and ten years. Records of the National Assembly Ad Hoc Committee that considered applications and eventually recommended the current AG can be accessed at: <https://pmg.org.za/committee/12/>

Section 193(5) provides the procedure for the recommendations of the head of the SAI. Section 195(6) allows for the involvement of civil society in the recommendation process.

Section 194 describes the process for the removal of the AG.

**Comment:**

While my answer is a Yes to Question 119, option (a) does not align with the process in South Africa (SA) for the following reasons: While the SA legislature recommends to the executive who should be appointed, the President appoints them on a clear reading of section 193(4) of the SA Constitution. The latter essentially gives final consent as opposed to the Legislature. I note that in the Guideline above it is explained that "alternative approaches may also be acceptable" and that "if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could also be considered.

Mindful of the above and that there have not been noteworthy concerns raised in the public domain that the appointment process for the head of the SAI is not sufficiently independent of the executive, I shall award an answer of (a).

The answer is not option (b) for the reasons described above.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

**GUIDELINES:**

*Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.*

*To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.*

**Answer:**

a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.

**Source:**

Section 194 of the SA Constitution provides as follows:

(1) The Public Protector, the Auditor-General or a member of a Commission established by this Chapter may be removed from office only on—

- (a) the ground of misconduct, incapacity or incompetence;
- (b) a finding to that effect by a committee of the National Assembly; and
- (c) the adoption by the Assembly of a resolution calling for that person's removal from office.

2) A resolution of the National Assembly concerning the removal from office of—

- (a) the Public Protector or the Auditor-General must be adopted with a supporting vote of at least two thirds of the members of the Assembly; or
- (b) a member of a Commission must be adopted with a supporting vote of a majority of the members of the Assembly.

(3) The President—

- (a) may suspend a person from office at any time after the start of the proceedings of a committee of the National Assembly for the removal of that person; and
- (b) must remove a person from office upon adoption by the Assembly of the resolution calling for that person's removal.

**Comment:**

Source doc: s.194 of the SA Constitution accessible via <http://www.justice.gov.za/legislation/constitution/saconstitution-web-eng-09.pdf>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

121. Who determines the budget of the Supreme Audit Institution (SAI)?

**GUIDELINES:**

*Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.*

*Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.*

Answer:

a. The SAI determines its own budget (i.e., submits it to the executive, which accepts it with little or no change, or directly to the legislature), or the budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

In terms of section 38 of the Public Audit Act of 2004 (accessible via <https://www.agsa.co.za/AboutUs/Legislation.aspx>) the Auditor General prepares a budget and business plans for consideration by the National Assembly and National Treasury:

38. (1) The affairs of the Auditor-General must be conducted in accordance with a budget and business plan prepared by the Auditor-General for each financial year which must include—

- (a) estimates of revenue and expenditure, for the year to which it relates;
- (b) projected revenue and expenditure for the two financial years following the year to which the budget and business plan relates; and
- (c) the basis on which audit fees for the year to which the budget relates and the following two years are to be calculated.

(2) The Auditor-General must at least six months before the start of a financial year submit the budget and business plan referred to in subsection (1) to—

- (a) the oversight mechanism; and
- (b) the National Treasury, for planning of and preparing the national annual budget.

(3) The oversight mechanism must consider the budget and business plan and within two months of receipt thereof submit its recommendations to —

- (a) the Speaker for tabling in the National Assembly; and
- (b) the National Treasury.

(4) The Auditor-General may, after consultation with the National Treasury and by agreement with the oversight mechanism, at the end of a financial year retain for working capital and general reserve requirements, any surplus as reflected in the financial statements or a portion thereof. The portion of a surplus not retained must be paid into the National Revenue Fund.

A presentation to the Legislature on the AG's draft Strategic Plan and a summary budget for 2018/19 can be accessed via <https://pmg.org.za/tables-committee-report/3237/>

Comment:

See above under "Source"

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:

The Auditor General is given extensive parameters to audit in accordance with section 188 of the Constitution and sections 4, 5 & 29 of the Public Audit Act of 2004 (<https://www.agsa.co.za/AboutUs/Legislation.aspx>) . The Public Audit Amendment Bill (<https://pmg.org.za/bill/793/>) has since given the AG additional powers during audit processes.

Comment:

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:

a. Yes, an independent agency conducts and publishes a review of the audit processes of the SAI on an annual basis.

Source:

Parliament's Standing Committee on the Auditor-General (SCoAG) adopted its report following consideration of the the AGSA Integrated Annual Report of 2017/18 as per <https://pmg.org.za/committee-meeting/27682/> with the acutal report available via <http://pmg-assets.s3-website-eu-west-1.amazonaws.com/181128AGSAAnnualReport.pdf>.

The SCoAG report makes the point that: "Section 10(3) of the Public Audit Act No 25 of 2004 (the Act) requires the National Assembly to provide for a mechanism to maintain oversight of the AGSA in terms of section 55(2)(b)(ii) of the Constitution. Accordingly, the Rules of the National Assembly provide for the establishment of the Standing Committee on the Auditor General (SCoAG). SCoAG is charged with assisting and protecting the AGSA in order for the latter to maintain its independence, impartiality, dignity and effectiveness.

According to section 10(1) and (2) of the Act, the AGSA must annually submit the following documents to the National Assembly: a report on the activities and performance; a report on overall control of the administration; and the AGSA's annual report, financial statements and the audit report on those statements. The AGSA tabled its 2017/18 Integrated Annual Report on 28 September 2018."

An external assurance report by Crowe Johannesburg is made available within the AGSA's Integrated Annual Report, from pages 118 to 120 thereof. Access this via <https://www.agsa.co.za/Reporting/AnnualReport.aspx>.

An independent external audit of the AGSA's financial statements is also publicly available from page 122 onwards of the AGSA Integrated Annual Report for 2017/18 as per the link immediately above.

Comment:

See sources above.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

**GUIDELINES:**

*Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.*

Answer:

a. Frequently (i.e., five times or more).

Source:

At page 68 of the AGSA's Integrated Annual Report for 2017/18 (available via <https://www.agsa.co.za/Reporting/AnnualReport.aspx>) they advise that: "We prioritised 125 stakeholders and had 360 interactions with these stakeholders against a target of 271 interactions for the year. These engagements were in addition to the 2 423 routine interactions that we had with our constitutional stakeholders for the performance year." and at page 69 they explain that "We held extensive discussions with portfolio committees. All committees received audit insight on the use of public funds previously appropriated to inform the following year's budget process." and also that "We provided critical insight to the National Council of Provinces on the MFMA audit outcomes.

The CoGTA, Appropriations and Finance Select Committees used this insight in their oversight visits to more than five municipalities. Their recommendations to Parliament were based on our audit findings." At page 70 the AGSA record that "We continued to enable SCoPA oversight practices. Having received a briefing from all audit teams responsible for a particular department, the committee focused on unauthorised, irregular, fruitless and wasteful expenditure at departments in the context of initiating consequences. A number of departments appeared before SCoPA." The AGSA also explains that "We briefed the majority of provincial Public Accounts Committees on audit outcomes before their hearings, which focused on governance, accountability and the call for consequences. The issue of unauthorised, irregular, fruitless and wasteful expenditure was also at the centre of many hearings."

Consideration of Parliamentary committee meetings accessible via [www.pmg.org.za](http://www.pmg.org.za) confirm the above interactions of the AGSA with committee's of the National Parliament and Provincial Legislature's.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

**GUIDELINES:**

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.*

*The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:*

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf).

*Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning.*

*To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.*

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on the budget.

Source:

On 5 February 2018 the Treasury issued a media advisory ([http://www.treasury.gov.za/comm\\_media/press/2018/2018020501%20Media%20Advisory%20Budget%202018%20Tips.pdf](http://www.treasury.gov.za/comm_media/press/2018/2018020501%20Media%20Advisory%20Budget%202018%20Tips.pdf)) stating amongst others that: "...the Minister encourages South Africans to share their views about the country's economic conditions and other issues they would like government to highlight in the Budget, which will be tabled in parliament on 21 February 2018. The Minister invites South Africans to share their views on;

- Funding of free education for students in tertiary institutions;
- How South Africa can achieve inclusive economic growth;
- How South Africa can use its resources to ensure efficiencies; and
- How the government, civil society, unions and business can work together for the purpose of achieving South Africa's economic objectives.

The Minister looks forward to your contribution which can be sent through the following ways:

- Tweet your tips and include the hashtag #BudgetTips2018, and Follow @TreasuryRSA
- The National Treasury website: Budget 2018TIPS"

The National Treasury also has a Budget Tips mechanism on their website that interested parties can use to submit their asks - see this at :

[http://forms.treasury.gov.za/\\_layouts/FormServer.aspx?](http://forms.treasury.gov.za/_layouts/FormServer.aspx?)

XsnLocation=[http://forms.treasury.gov.za/FormServerTemplates/BudgetLive.xsn&SaveLocation=http://forms.treasury.gov.za/BudgetSuggestionForms&Source=http://forms.treasury.gov.za/\\_layouts/Redirector.aspx?target=http://www.treasury.gov.za/tip.aspx&DefaultItemOpen=1](http://forms.treasury.gov.za/FormServerTemplates/BudgetLive.xsn&SaveLocation=http://forms.treasury.gov.za/BudgetSuggestionForms&Source=http://forms.treasury.gov.za/_layouts/Redirector.aspx?target=http://www.treasury.gov.za/tip.aspx&DefaultItemOpen=1)

National Treasury are also developing a budget portal accessible via [www.vulekamali.gov.za](http://www.vulekamali.gov.za) and which provides contact email details should visitors wish to provide "Feedback and questions about Vulekamali" (see <https://vulekamali.gov.za/about#your-contribution>). The site also provides the following contact details: <https://vulekamali.gov.za/about#contacts>

Logged in users of Vulekamali may contribute material (budget analysis research etc) to Vulekamali - see <https://vulekamali.gov.za/datasets/contributed>. This does in some way allow users to share their views on passed or proposed budgets.

While the public is able to provide inputs on the budget, the current mechanisms do not allow the public and government officials to exchange views on the budget as envisaged by the Guidelines to this question, therefore a score of "b" is assigned.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

I was unable to locate source material that shows that the executive has taken concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

On 5 February 2018 the Minister invited inputs

([http://www.treasury.gov.za/comm\\_media/press/2018/2018020501%20Media%20Advisory%20Budget%202018%20Tips.pdf](http://www.treasury.gov.za/comm_media/press/2018/2018020501%20Media%20Advisory%20Budget%202018%20Tips.pdf)) on the following broad areas:

- Funding of free education for students in tertiary institutions;
- South Africa can achieve inclusive economic growth;
- How South Africa can use its resources to ensure efficiencies; and -
- How the government, civil society, unions and business can work together for the purpose of achieving South Africa's economic objectives.

On 3 Feb 2017, an almost identical call for engagement was made - see

[http://www.treasury.gov.za/comm\\_media/press/2017/2017020301%20Budget%202017%20Tips.pdf](http://www.treasury.gov.za/comm_media/press/2017/2017020301%20Budget%202017%20Tips.pdf)

Given the broad nature of certain of these topics in the Minister's invitation, it is conceivable that it would cover some but not necessarily all of the mentioned topics within this question. A score of 'B' is therefore selected.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: On 1 Feb 2018, the Finance Ministry invited

[http://www.treasury.gov.za/comm\\_media/press/2018/2018020501%20Media%20Advisory%20Budget%202018%20](http://www.treasury.gov.za/comm_media/press/2018/2018020501%20Media%20Advisory%20Budget%202018%20)for the public to engage on the budget formulation as follows: It is in this context that the Minister of Finance invites South Africans to voice their views about their economic concerns and issues they would like government to highlight in the Budget on 21 February 2018. In particular, the Minister would like your ideas on: Funding of free education for students in tertiary institutions;How South Africa can achieve inclusive economic growth;How South Africa can use its resources to ensure efficiencies; and How the government, civil society, unions and business can work together for the purpose of achieving South Africa's economic objectives. Tweet your tips and include the hashtag #BudgetTips2018, and Follow @TreasuryRSA

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](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf)

*Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.*

*To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.*

*Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.*

*Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:*

- 1) *The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.*

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on budget implementation.

Source:

National Treasury's budget portal [www.vulekamali.gov.za](http://www.vulekamali.gov.za) provides contact details where visitors can give "Feedback and questions about Vulekamali" - see <https://vulekamali.gov.za/about#your-contribution>

According to <https://www.dpme.gov.za/keyfocusareas/cbmSite/Pages/default.aspx> "A 'Framework for Strengthening Citizen-Government Partnerships for Monitoring Frontline Service Delivery' was approved by Cabinet in August 2013. The CBM Framework describes broadly what on-going citizen-based monitoring should look like. It also tasks DPME to design and test specific tools that departments could adapt and use in their performance monitoring and evaluation. The experiences of citizens – the intended beneficiaries of government services – are a critical component of measuring the performance of government and for the delivery of appropriate and quality services. It is therefore necessary to support the uptake of systematic ways to bring the experiences of citizens into monitoring of services. CBM does not duplicate or replace existing public participation structures or processes, but rather adds to these, providing tools and methodologies to strengthen and broaden public participation. The National Development Plan emphasizes the importance of fostering active citizens and building a capable and developmental state. Citizen-based monitoring supports this through the production of, and engagement around, evidence of government performance. Currently much of government monitoring sees information sent upwards to central national collection points. This information is then analyzed and presented to top level decision makers who adjust policy and programmes in an effort to influence outcomes on the ground. Citizen-based monitoring shifts the emphasis to focusing on building local level accountability through the co-production of monitoring information by citizens and frontline officials. It is not designed to replace, but rather complement, government's existing monitoring systems and processes."

and states further that: "Citizen-based monitoring (CBM) focuses on the experiences of citizens in relation to government performance, in order to improve public accountability and service delivery. The approach emphasizes the building of capacity, of both citizens and officials at the point where services are delivered to (i) monitor how citizens experience service delivery, (ii) analyse this feedback, (iii) take actions for improvements and (iv) communicate to all stakeholders."

While a CBM pilot was undertaken between 2013 and 2015 and publications released by the DPME regarding this work over the period 2011 - 2016 there is no recent updates or material to suggest that a mechanism is currently in place and working.

The Public Service Commission is mandated by Section 196 of the Constitution to investigate, monitor, and evaluate the organisation and administration of the Public Service. Their corruption hotline (<http://www.publicservicecorruptionhotline.org.za/>) was "Not Found" at the date that it was accessed.

<https://www.dpme.gov.za/about/Pages/Public-Sector-Oversight.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In addition to the civic information drives for for the 9 provinces were introduced when the vulekamali portal was launched to ensure to inform the public about budgets, and train them of how to utilise the information that is available on the platform.<https://vulekamali.gov.za/events>

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:

Comment:

I was unable to locate any concrete steps by the executive to specifically receive inputs from vulnerable and under-represented parts of the population relating to implementation of the annual budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The invitation for civic information drives is open to all and it is available on social media platforms Our civil society partners provide contacts for full representation by vulnerable groups

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.*

*Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.*

Answer:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Source:

The Treasury release monthly statements of national revenue, expenditure and borrowing - see these for 2018 at: [http://www.treasury.gov.za/comm\\_media/press/monthly/monthly\\_2018.aspx](http://www.treasury.gov.za/comm_media/press/monthly/monthly_2018.aspx)

Treasury also release certain quarterly provincial data on social spending and revenue collection - see these at [http://www.treasury.gov.za/publications/PiP/2018\\_19/default.aspx](http://www.treasury.gov.za/publications/PiP/2018_19/default.aspx)

Treasury also releases monthly "Provisional Financing Figures" see for example [http://www.treasury.gov.za/comm\\_media/press/monthly/1812/mpff.pdf](http://www.treasury.gov.za/comm_media/press/monthly/1812/mpff.pdf) that includes

**Comment:**

While the executive does engage with citizens on a number of these topics during its budget formulation, this question specifically relates to engagement on the listed topics during budget implementation. I was unable to locate source material to support a score above (b) as currently selected.

Logged in users of Vulekamali may contribute material (budget analysis research etc) to Vulekamali - see <https://vulekamali.gov.za/datasets/contributed>. This does allow users a mechanism to profile their monitoring of budget implementation using Vulekamali. You will note that such contributed data tends to relate to topics 2, 3, and 4.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**IBP Comment**

For cross country comparability, this answer has been adjusted to "C." Further evidence has not been identified that cover engagement on topics beyond service delivery.

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 there 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:

On 5 Feb 2018 the executive released a media advisory inviting the public as follows

([http://www.treasury.gov.za/comm\\_media/press/2018/2018020501%20Media%20Advisory%20Budget%202018%20Tips.pdf](http://www.treasury.gov.za/comm_media/press/2018/2018020501%20Media%20Advisory%20Budget%202018%20Tips.pdf)):

"The Minister invites South Africans to share their views on;

- Funding of free education for students in tertiary institutions;
- How South Africa can achieve inclusive economic growth;
- How South Africa can use its resources to ensure efficiencies; and
- How the government, civil society, unions and business can work together for the purpose of achieving South Africa's economic objectives.

The Minister looks forward to your contribution which can be sent through the following ways: • Tweet your tips and include the hashtag #BudgetTips2018, and Follow @TreasuryRSA • The National Treasury website: Budget 2018TIPS".

This invitation preceded the tabling of the EBP and included 3 of the elements listed above.

Another example is available at

[http://www.treasury.gov.za/comm\\_media/press/2018/2018110101%20INVITING%20TECHNICAL%20TAX%20PROPOSALS%20FOR%20ANNEXURE%20C.pdf](http://www.treasury.gov.za/comm_media/press/2018/2018110101%20INVITING%20TECHNICAL%20TAX%20PROPOSALS%20FOR%20ANNEXURE%20C.pdf) - this invitation has elements that resonate with the following elements: Purpose, Scope, Process and Timeline.

A further example is [http://www.treasury.gov.za/comm\\_media/press/2018/2018051001%20Media%20Statement%20-%20Call%20for%20VAT%20submissions.pdf](http://www.treasury.gov.za/comm_media/press/2018/2018051001%20Media%20Statement%20-%20Call%20for%20VAT%20submissions.pdf) - this invitation has elements of that resonate with elements 1, 2, 4 and 5. The VAT Panel's ToR were publicised and amended further and submissions from the public were considered.

The above examples relate to budget formulation. I was unable to locate examples that illustrate the case during budget implementation and therefore the score of B is assigned.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

For cross country comparability, answer choice C has been selected. While the media advisory was published in advance of the budget being tabled, it lacks details necessary to qualify as comprehensive.

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:

I was unable to locate such a written record. The Finance Minister's Budget Speech (<http://www.treasury.gov.za/documents/national%20budget/2018/speech/speech.pdf>) delivered on 21 Feb.2018 did single out finalists in the Budget Tips competition but this does not amount to a list of inputs or a report or summary on how they were used.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The Budget Speech 2018 by the Minister of Finance

(<http://www.treasury.gov.za/documents/national%20budget/2018/speech/speech.pdf>) delivered on 21 Feb 2018 (Page 20) the Minister presented one of the Budget Tips to the Minister received and how the executive has taken into consideration the information received.

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:

I was unable to locate such a written record.

While the Department of Performance Monitoring and Evaluation (<http://www.dpme.gov.za/Pages/default.aspx>) exists within the South African Presidency, there has been very little reported action including inputs received during the period 2016 to 2018 via its Citizen Based Monitoring site. A consideration of its Publications (<https://www.dpme.gov.za/keyfocusareas/cbmSite/Pages/default.aspx>) does not reveal any material on point from 2017 and 2018. The Treasury website did not appear to contain information which would support a score of (a) to (c).

Comment:

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:

Comment:

Whilst a timetable for formulating the Executive's Budget Proposal is published in the Estimates of National Expenditure Guidelines (<http://www.treasury.gov.za/publications/guidelines/2018%20ENE%20Guidelines.pdf>) consideration of this timetable reveals that it is directed towards state departments and entities. It does not contain an explicit public participation mechanism during the budget formulation stage that "enables citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated" into the EBP.

While National Treasury and the Finance Ministry have an online budget tips mechanism available

([http://forms.treasury.gov.za/\\_layouts/FormServer.aspx?XsnLocation=http://forms.treasury.gov.za/FormServerTemplates/BudgetLive.xsn&SaveLocation=http://forms.treasury.gov.za/BudgetSuggestionForms&Source=http://forms.treasury.gov.za/\\_layouts/Redirector.aspx?target=http://www.treasury.gov.za/tip.aspx&DefaultItemOpen=1](http://forms.treasury.gov.za/_layouts/FormServer.aspx?XsnLocation=http://forms.treasury.gov.za/FormServerTemplates/BudgetLive.xsn&SaveLocation=http://forms.treasury.gov.za/BudgetSuggestionForms&Source=http://forms.treasury.gov.za/_layouts/Redirector.aspx?target=http://www.treasury.gov.za/tip.aspx&DefaultItemOpen=1)) this allows for

ad-hoc inputs as opposed to systematized and timetable oriented participation mechanisms that could occur at more timeous and opportune periods during the formulation process, and where such inputs from the public can receive proper consideration and where feedback can be provided explaining and justifying what is and is not prioritised in budget lines across state departments and entities.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

#### GUIDELINES

While questions 125 – 135 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](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:

Comment:

I am not aware of functioning such mechanisms within line ministries. Rather, civil society organisations such as [www.psam.org.za](http://www.psam.org.za) and others within the Budget Justice Coalition seek to foster such levels of engagement.

The Dept of Performance Monitoring & Evaluation (DPME) created a Citizen Based Monitoring Framework (<https://www.dpme.gov.za/keyfocusareas/cbmSite/Pages/default.aspx>) however the DPME have not provided any publications since 2016 to suggest that mechanisms have been created within ministries to take this Framework forward so as to support public engagement with budget formulation and implementation at multiple line ministry level(s).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Public consultation have taken place before the introduction of the National Health Insurance

bill <https://www.news24.com/SouthAfrica/News/national-health-insurance-a-step-closer-as-cabinet-approves-bill-20190711>

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:**

c. Yes, public hearings are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

**Source:**

The Money Bills Amendment Procedure and Related Matters Act requires Parliamentary committees to hold public hearings for the adoption of the preliminary and final Fiscal Framework, the Division of Revenue Bill and the Appropriation Bill. Certain Parliamentary committees engage with sectors of the public and provide information in advance of the engagements. The Parliamentary Budget Committee hold hearings on the Medium Term Budget Policy Statement and report back to Parliament. The public can make submissions/petitions/representations on the budget during the formulation phase to provincial legislatures or to Parliament. Section 59 (1) (a) of the Constitution supports to some extent the involvement of citizens in the processes of the Assembly and its committees. Section 56 (d) and 69 (d) of the Constitution provides for the National Assembly and the National Council of Provinces to receive petitions, representations or submissions from any interested persons or institutions. Petitions and submissions by citizens, hearings on legislation, committee discussions on strategic plans and annual reports give to some extent the public an opportunity to participate.

However, actual public hearings where testimony is provided through open mechanisms does not occur. Rather, Parliament accommodates testimony from specific individuals or groups in its current limited participation mechanisms.

**Comment:**

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree  
Comments: There were extensive hearings held in light of the introduction of the TAX increase <https://pmg.org.za/call-for-comment/718/> and a panel was established to come up with a list of products to be zero rated

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:**

a. The legislature seeks input on all six topics.

**Source:**

Parliament does not prescribe or specifically seek inputs on these 6 topics, rather inviting open ended submissions, some of which covered these topics alongside others not listed. I have accordingly scored this question an (a) in view of the open ended invitation.

Parliament's Standing Committee on Finance considered written and oral submissions from multiple parties on the budget, during a sitting on 28 February 2018 (<https://pmg.org.za/committee-meeting/25892/>)

**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:

c. Yes, the legislature provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

Consideration of minutes and records of the Finance Standing Committee (<https://pmg.org.za/committee-meeting/25892/>) prepared by the PMG show that there is a written record of inputs received, and some engagement by the Committee (on 28 Feb 2018) including that they will facilitate National Treasury's response to input received from stakeholders.

National Treasury responses (on 2 March 2018) are reported at <https://pmg.org.za/committee-meeting/25897/> but do not evidence how they are used by the Legislature who have yet to exercise their powers to amend budgets despite having such powers legislated to them.

On 6 March 2018 the Finance Standing Committee and the Select Committee on Finance sat jointly to consider and adopt the Fiscal Framework and Revenue Proposals (Budget) Report (<https://pmg.org.za/committee-meeting/25905/>) which can be accessed via [http://pmg-assets.s3-website-eu-west-1.amazonaws.com/180306FINAL\\_Report\\_on\\_Fiscal\\_Framework.pdf](http://pmg-assets.s3-website-eu-west-1.amazonaws.com/180306FINAL_Report_on_Fiscal_Framework.pdf) and contains stakeholder inputs from page 7 to page 28. From page 28 onwards the Report details the Committees' deliberations and recommendations. It concludes by stating: "The majority in the Committees recommend that the Fiscal Framework be adopted, taking into account the qualifications raised in this report, in particular the concerns about the VAT increase and the need for further consideration of these concerns in the processing of the Rates and Monetary Bill that deals with the VAT increases directly." This Report does not support a score of greater than C given the approach adopted by the Committee to only record the list of inputs received, but not to explain or summarise how they were used.

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:

While Parliamentary Committee's hold public sittings to review and scrutinize a wide range of Audit Reports relating to state departments and entities following the Auditor-GEneral's submission of such Reports as required by section 188 (3) of the RSA Constitution, however no testimony is provided by the public during such sittings nor are there mechanisms being used by Parliament to foster public contributions in an open manner. It remains up to the public to claim such space and to seek avenues for participation in this area.

Comment:

While Parliamentary Committee's hold public sittings to review and scrutinize a wide range of Audit Reports relating to state departments and entities following the Auditor-GEneral's submission of such Reports as required by section 188 (3) of the RSA Constitution, however no testimony is provided by the public during such sittings nor are there mechanisms being used by Parliament to foster public contributions in an open manner. It remains up to the public to claim such space and to seek avenues for participation in this area.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

**GUIDELINES:**

This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Answer:

b. The requirements for an "a" response are not met.

Source:

In terms of s.5(1)(d) of the Public Audit Act, the South African SAI may: "carry out an appropriate investigation or special audit of any institution referred to in section 4 (1) or (3), if the AuditorGeneral considers it to be in the public interest or upon the receipt of a complaint or request."

In terms of s.5(2)(a) of the Public Audit Act, the South African SAI may: "In addition to subsections (1), (1A) and (1B), the AuditorGeneral—(a) may cooperate with persons, institutions and associations, nationally and internationally";

Comment:

While the Public Audit Act read with s.188 of the Constitution gives the SAI legal authority to cooperate with the public - this has not yet resulted in a formal mechanism for the public enabling them to bring "ideas on agencies, programs, or projects that could be audited" It remains up to the public to approach the SAI who can then elect or decline to act upon the suggestion or request made by the public, provided the SAI proceeds in accordance with its legislated powers.

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:

I was unable to locate source documents that would support an answer of "a" to "C".

Comment:

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:

Comment:

I was unable to locate material that would support a score of "a" that evidences the existence of such formal mechanisms where the public can contribute to audit investigations.

Whilst there is a permissive legislative basis for public participation in audit investigations (see section 5 (2)(a) of the Public Audit Act), this remains at the discretion of the Auditor General, and currently there are no formal mechanisms in place.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S0. Are you participating in the Sector Budget Transparency Module pilot?

*Please select "Yes" to this question if you have confirmed your participation in the Sector Budget Transparency Module pilot, and S1-S20 related to sector budget transparency will become available for you to complete.*

*For all others, please select "No," and you will be directed to the last page of the Open Budget Survey questionnaire.*

Answer:

a. Yes

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: I assume this is correct!

Government Reviewer

Opinion: I choose not to review this question

S1. Does the Executive's Budget Proposal present revenue earmarked for the sector and/or the sector's expenditure associated with this earmarked revenue?

Answer:

e. Not applicable/other, or not participating.

Source:

After considering

- the 2018 Division of revenue and spending by provinces and municipalities please see:  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%206.pdf>

- the National Health Departments Estimates of National Expenditure for 2018/19:  
<http://www.treasury.gov.za/documents/national%20budget/2018/ene/Vote%2016%20Health.pdf>

- the National Health Departments 2018/19 budget allocation as per the Appropriation Bill: Page 17 of  
<http://www.treasury.gov.za/legislation/bills/2018/Appropriation%20Bill%203%202018.pdf>

- the consolidated health related spending plans related to 2018/19 as contained in the Budget Review for that year, at page 10 onwards of  
<http://www.treasury.gov.za/documents/national%20budget/2018/review/Chapter%205.pdf>

a score of E is appropriate, as there are no earmarked revenue sources for health.

Comment:

Peer Reviewer

Opinion: Agree

Comments: The only earmarked revenue is for funds, such as the road accident fund, unemployment insurance fund etc.

Government Reviewer

Opinion: Agree

S2. Does the Year-End Report (or the final In-Year Report) present revenue earmarked for the sector and/or the sector's expenditure associated with this earmarked revenue?

Answer:

e. Not applicable/other, or not participating.

Source:

Considering :

- the source material cited for S1;  
- page 26 of the Consolidated Financial Statements for the year ended 31 March 2017 which lists the appropriation to the National Health Department and its expenditure against this appropriation:  
<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf> which reveals that this is not the "total amount of revenues" nor the "total sector's expenditure" as it does not include such detail for the 9 provinces.

As there does not appear to be revenue earmarked for Health, answer scored "e"

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S3. Does the Executive's Budget Proposal present donor assistance for the sector and/or the sector's expenditure associated with this donor assistance?

Answer:

a. Yes, the Executive's Budget Proposal presents all individual sources of donor assistance for the sector and the specific sector's expenditure associated with each source of donor assistance.

Source:

See the 2018 Estimates of National Expenditure Booklet for Health that forms part of the EBP and which is accessible via <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf>

See specifically Table 16.C at page 47 of the hard copy or page 57 of the electronic version referred to above.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S4. Does the Year-End Report (or the final In-Year Report) present expenditure by a functional classification (first-level functional) that is consistent with the first-level functional classification presented in the Executive's Budget Proposal and/or the Enacted Budget?

Answer:

c. Yes, the Year-End Report (or the final In-Year Report) presents expenditure by a functional classification, but it is not consistent with the classification presented in either the Executive's Budget Proposal or the Enacted Budget.

Source:

See

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20017.pdf>

Comment:

The same functional classifications do not appear in the YER when compared with the EBP.

For example, looking at the Statistical Tables for EBP 2017

(<http://www.treasury.gov.za/documents/national%20budget/2017/review/Statistical%20tables.pdf> page 216 and 220), the main COFOG headers are :

- General public services
- Defence
- Public order and safety
- Economic affairs
- Environmental protection
- Housing and community amenities
- Health
- Recreation and culture
- Education
- Social protection

There does not seem to be functional classification in the EB (see reply to Q59), and in the YER in Table 6 there is Departmental expenditure added into 'sectors' but not by the same functions as shown in the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

After further review, answer choice "C" has been selected. The YER does include functional classification, but it is not consistent with the functional classification used in the EBP or EB.

S5. Does the Executive's Budget Proposal and/or the Enacted Budget present the sector's expenditure by a subfunctional classification (second-level functional)?

Answer:

b. No, neither the Executive's Budget Proposal nor the Enacted Budget present the sector's expenditure by a subfunctional classification.

Source:

See Table 5.5 of the 2018 Budget Review at page 69 of the pdf of <http://www.treasury.gov.za/documents/national%20budget/2018/review/FullBR.pdf>

The National Department of Health expenditure by program rather than sub-functional classification is accessible via [http://www.treasury.gov.za/documents/national%20budget/2018/ene/ENE18-Vote16\\_ChapterTables.xlsx](http://www.treasury.gov.za/documents/national%20budget/2018/ene/ENE18-Vote16_ChapterTables.xlsx) but this is only for the National Department.

It appears that the same level of expenditure details for the 9 provinces can be accessed via <http://www.treasury.gov.za/documents/provincial%20budget/2018/6.%20EPRE%20standardised%20tables%20in%20Excel%20format/Default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S6. Does the Year-End Report (or the final In-Year Report) present the sector's expenditure by a subfunctional classification (second-level functional) that is consistent with the subfunctional classification presented in the Executive's Budget Proposal and/or the Enacted Budget?

Answer:

d. No, the Year-End Report (or the final In-Year Report) does not present the sector's expenditure by a functional classification.

Source:

The Consolidated Financial Statement for 2018 does not present the National Health Department's expenditure by subfunctional classification, whereas the said Departments Annual Report (which includes its audited financial statements) and Provincial Health Department's Annual Reports contain expenditure but only at the administrative unit level. See for instance:

<http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S7. Does the Year-End Report (or the final In-Year Report) present expenditure by an administrative classification that is consistent with the administrative classification presented in the Executive's Budget Proposal and/or the Enacted Budget?

Answer:

a. Yes, the Year-End Report (or the final In-Year Report) presents expenditure by an administrative classification that is consistent with the administrative classification presented in both the Executive's Budget Proposal and the Enacted Budget.

Source:

See 2017 EBP:

<http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf> (see Table 4 on page 210)

And the EB for FY 2017:

[http://www.treasury.gov.za/legislation/bills/2017/b%205-2017%20\(appropriation\).pdf](http://www.treasury.gov.za/legislation/bills/2017/b%205-2017%20(appropriation).pdf)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S8. Does the Executive's Budget Proposal and/or the Enacted Budget present the sector's expenditure by program?

Answer:

a. Yes, the Executive's Budget Proposal and/or the Enacted Budget present(s) the sector's expenditure by program. (Please note in the comments in which document(s) programs are presented)

Source:

See <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf> and

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/Vote%2016%20Health.pdf>

The programs are in both the EBP and the EB, and are:

1. Administration
2. National Health Insurance, Health Planning and Systems Enablement
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health
4. Primary Health Care Services
5. Hospitals, Tertiary Health Services and Human Resource Development
6. Health Regulation and Compliance Management

Comment:

The programs are in both the EBP and the EB, and are:

1. Administration
2. National Health Insurance, Health Planning and Systems Enablement
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health
4. Primary Health Care Services
5. Hospitals, Tertiary Health Services and Human Resource Development
6. Health Regulation and Compliance Management

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S9. Does the Year-End Report (or the final In-Year Report) present the sector's expenditure by program consistent with sector programs presented in the Executive's Budget Proposal and/or the Enacted Budget?

Answer:

a. Yes, the Year-End Report (or the final In-Year Report) presents the sector's expenditure by program that is consistent with sector programs presented in both the Executive's Budget Proposal and the Enacted Budget.

Source:

The Consolidated Financial Statement for the year ended 31 MArch 2017 do not present the sectors expenditure by program that is consistent with the sectors programs as presented in the EBP and or EP EB. If the sectors Annual Report at National department level and the 9 provincial annual reports are accepted as Year-End Reports, then yes there is consistency in reporting of the health sectors expenditure by programme.

See <http://www.treasury.gov.za/documents/national%20budget/2017/ene/Vote%2016%20Health.pdf>  
<http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf>

See <http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018>

<http://www.ehealth.gov.za/index.php/document-library/annual-reports/summary/5-annual-reports/778-dept-of-health-annual-report-2017-18>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The Departmental reports were accepted in past surveys, and in questions prior to this section as part of the YER, so the A response holds.

Government Reviewer

Opinion: Agree

S10. Does the Executive's Budget Proposal and/or the Enacted Budget present the sector's expenditure by administrative or program classification, showing details below the second level of the classification's hierarchy?

Answer:

a. Yes, the Executive's Budget Proposal and/or the Enacted Budget present(s) the sector's expenditure by administrative or program classification, showing details below the second level of the classification's hierarchy. (Please note in the comments the document and the type of classification.)

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf>

See especially tables 16.9 (p. 10), Table 16.11 (p. 12), Table 16.13 (p. 15), Table 16.15 (p. 17), Table 16.17 (p. 20), and Table 16.19 (p. 22)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S11. Does the Year-End Report (or the final In-Year Report) present the sector's expenditure by administrative or program classification, showing details below the second level of the classification's hierarchy?

Answer:

a. Yes, the Year-End Report (or the final In-Year Report) presents the sector's expenditure by administrative or program classification, showing details below the second level of the classification's hierarchy. (Please note in the comments the document and the type of classification.)

Source:

For the National Department of Health Annual Report for 2017/18 - see <http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018> especially the tables on pages 110, 119, 127, 136, 144, and 154

For an example of provincial YER for 2017/18 see: <http://www.ehealth.gov.za/index.php/document-library/annual-reports/summary/5-annual-reports/778-dept-of-health-annual-report-2017-18>

Comment:

While the Consolidated Financial Statements for 2017/18 do not present the health sector's expenditure by administrative or program classification, the Health Departments Annual Report's (at both National and Provincial level provide such level of expenditure reporting.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S12. Does the Executive's Budget Proposal present an economic classification for the sector's expenditure (organized by functional, administrative, or program classification)?

Answer:

a. Yes, the Executive's Budget Proposal presents an economic classification for the sector's expenditure. (Please note in the comments which classification presents the sector expenditure by the economic classification – functional, administrative or program.)

Source:

<http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2016%20Health.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/AllENETables.zip> - select Vote 16 that relates to the National Health Department.

For the 9 provinces that receive the bulk of health funding, see for 2018,

<http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/Default.aspx>

Comment:

The economic classification is available both for the administrative level (Vote) and the program level.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S13. Does the Executive's Budget Proposal present a geographic distribution of the sector's expenditure (organized by functional classification, administrative classification, or program)? (For the purposes of this question, the sector's expenditure must include spending beyond just intergovernmental transfers.)

Answer:

b. No, the Executive's Budget Proposal does not present a geographic distribution of the sector's expenditure.

Source:

<http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/Default.aspx> and then select a province, for instance Eastern Cape which will take you to:

[http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/EC/2.%20Estimates%20of%](http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/EC/2.%20Estimates%20of%20)

20Prov%20Rev%20and%20Exp/Default.aspx

where you can then select Vote 3 Health which is viewable at:

<http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/EC/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/EC%20-%20Vote%2003%20-%20Health.pdf>

and which provides the geographic distribution at this provinces level.

Comment:

Strictly speaking, the EBP does not present the health sector expenditure by geographic distribution so a score of A is not possible. National Treasury does however provide Estimates of Revenue and Expenditure for each budget year for all 9 provinces; and at the sectoral level and by functional, administrative and program classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S14. Does the Year-End Report (or the final In-Year Report) present intergovernmental transfers to the sector?

Answer:

a. Yes, the Year-End Report (or the final In-Year Report) presents intergovernmental transfers to the sector, with detail showing all individual transfers to all units of subnational government across all levels of subnational government.

Source:

The Consolidated Financial Statement for the year ended 31 March 2017 gave some breakdown of health transfer and subsidies for 2017/17 (see page 34/42 of

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202017.pdf>)

See the National Health Dept's Annual Report for 2017/18 at page 108/119 where it provides a breakdown of Transfers and Subsidies by economic classification by that Department: <http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018>. There is also a breakdown at programme level of transfers and subsidies further on. Also see the Health Annual Report, pages 192-194, containing details for all the nine provinces broken out individually.

To access YER intergovernmental transfers to provincial health departments, one would need to consider each of the 9 provinces YER's. National Treasury no longer keeps an updated folder of such material (see <http://www.treasury.gov.za/publications/annual%20reports/provincial/default.aspx> for outdated material). To access YER across the 9 provinces would require a search of each of their websites.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

S15. Does the Executive Budget Proposal present expenditure for individual front-line service delivery units for the sector?

Answer:

b. No, the Executive's Budget Proposal does not present expenditure for individual front-line service delivery units for the sector.

Source:

The EBP only presents expenditure for the National Health Department and not for the 9 provinces where the bulk of front lone service delivery units are situated.

See: <http://www.treasury.gov.za/documents/national%20budget/2018/ene/Vote%2016%20Health.pdf>

To access expenditure of the type sought, one would need to go <http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/Default.aspx> and then select a province and then the Health Vote. These documents do not form part of the EBP.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

S16. Does the Year-End Report (or the final In-Year Report) present expenditure for individual front-line service delivery units for the sector?

Answer:

b. No, the Year-End Report (or the final In-Year Report) does not present expenditure for individual front-line service delivery units for the sector.

Source:

Comment:

While there is some detail of Payments and Estimates by economic classification to programme level at the provincial sector level (see for eg <http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/EC/2.%20Estimates%20of%20Prov%20Rev%20and%20Exp/EC%20-%20Vote%2003%20-%20Health.pdf>) this does not go to the level of front-line service delivery units. It does for infrastructure spending but not for ordinary front line services.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

S17. Does the Year-End Report (or the final In-Year Report) present the differences between the original estimates of transfers to public corporations in the sector and the actual outcome?

Answer:

a. Yes, the Year-End Report (or the final In-Year Report) presents the differences between all of the original estimates of transfers to public corporations in the sector and the actual outcome, along with a narrative discussion.

Source:

<http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018>

Comment:

The YER for the National Health Department provides a breakdown of Transfers and Subsidies across all programs and sub programs at both the estimate and actual outcome level. See more at <http://www.health.gov.za/index.php/2014-08-15-12-56-31?download=2924:annual-report-2018>

Details of the transfers appear on p. 57-61 of the YER.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

S18. Does the Executive's Budget Proposal present a narrative explaining the objectives for the sector's expenditure, and show the expenditure associated with achieving the objectives?

Answer:

a. Yes, the Executive's Budget Proposal presents a narrative explaining the objectives for the sector's expenditure and specifies the expenditure associated with achieving each objective.

Source:  
See below

Comment:

Within the ENE that forms part of the EBP, a chapter is dedicated to Vote16: Health (<http://www.treasury.gov.za/documents/national%20budget/2018/ene/Vote%2016%20Health.pdf>) and this includes a narrative on the "Expenditure Analysis" that explores various objectives, followed by sections dealing with "Expenditure Trends" and "Expenditure estimates".

For narrative details explaining the objectives of provincial health department expenditure, readers would need to access the 2018 Estimates of the Provincial Revenue and Expenditure via <http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/Default.aspx>

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree

Suggested Answer: a. Yes, the Executive's Budget Proposal presents a narrative explaining the objectives for the sector's expenditure and specifies the expenditure associated with achieving each objective.

Comments: Each Programme's budget is outlined with the objectives they plan to achieve with the allocation. We don't believe it can be more specific than the programme

Researcher Response

After considering the feedback and source material further, the score is adjusted to an A.

S19. Is subnational expenditure in the sector (including expenditure financed from own-source revenues) reported in *central*/government budget formulation documents (Executive's Budget Proposal or Enacted Budget) or budget execution documents (In-Year Reports or Year-End Report)?

Answer:

d. No, the sector's subnational expenditure is not presented in any central government budget formulation or execution documents.

Source:

Comment:

Subnational sector level expenditure is reported in provincial EBPs and YERs and not in central government EBPs and YERs.

Peer Reviewer  
Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

S20. Does the central government make publicly available on a website or portal at least one of the key budget documents (Executive's Budget Proposal, Enacted Budget, In-Year Reports, or Year-End Report) prepared by subnational governments?

Answer:

b. Yes, the sector's subnational expenditure for some (but not all) levels of subnational government is included in at least one central government budget formulation document and at least one budget execution document.

Source:

See <https://vulekamali.gov.za/2018-19/departments?>

Then for subnational - in our case, provinces, see as an example:

<https://vulekamali.gov.za/2018-19/provincial/eastern-cape/departments/health>

Comment:

Yes, the central government makes available at least one of the key budget documents from all units of sub-national government across some (but not all) levels of sub-national government - because there are Provincial-level documents, but not municipal-level documents.

Peer Reviewer

Opinion: Agree

Comments: The Vulekamali website is relevant. But at the main treasury site this is also done: See the EBP for all provinces

<http://www.treasury.gov.za/documents/provincial%20budget/2018/3.%20Estimates%20of%20Prov%20Rev%20and%20Exp/Default.aspx> Each of these include the health budgets for the provinces. But, please note that the question and options for the questions are different, and depending on which one one follows the answer is either b or d. The question asks whether the central government makes available at least one document for all sub-national governments (answer b -- provincial but not municipal). The option specifications ask something else: it asks whether the sector expenditure for all subnational governments is include in at least one central level budget document (answer d, subnational level expenditure for any subnational level is not specified for health in any central budget document). The first is true to level b, the second is not.

Government Reviewer

Opinion: Agree