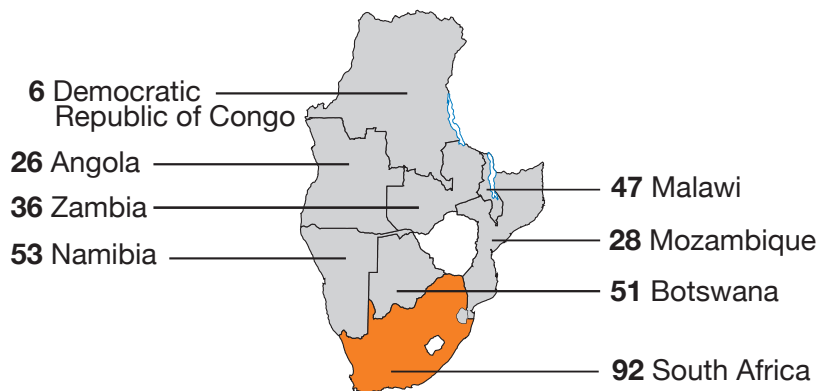
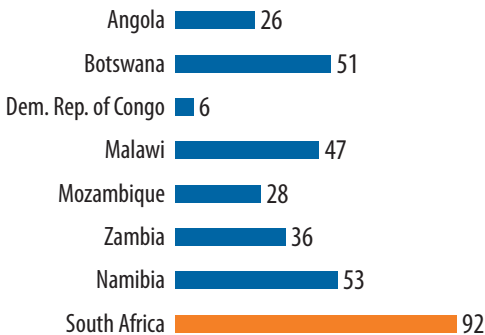




Overall score: 92 (Out of 100) Provides extensive information to the public in its budget documents during the year.

How Does South Africa Compare to Its Neighbors?



Key Findings

The scores for 92 questions from the Open Budget Survey 2010 (see text box) are used to compile objective scores and rankings of each country's relative transparency. These scores constitute the Open Budget Index (OBI).

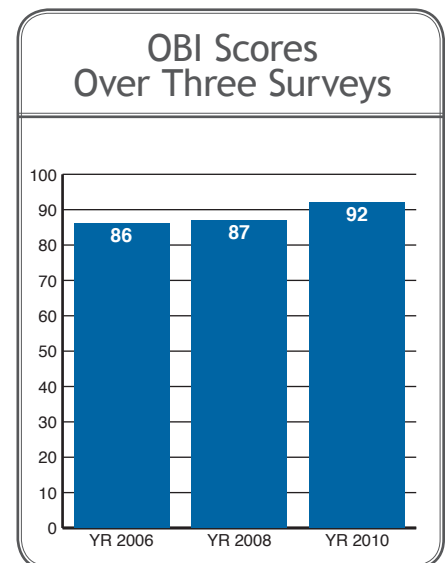
South Africa's OBI 2010 score is 92 out of 100, which is the highest score of the 94 countries surveyed. South Africa's score indicates that the government provides the public with extensive information on the central government's budget and financial activities assessed by the survey. This makes it possible for citizens to hold the government accountable for its management of the public's money.

South Africa's OBI score rose somewhat from 2006 to 2010.

Information in Public Budget Documents

Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	A	Published
Executive's Budget Proposal	A	Published
Enacted Budget	A	Published
Citizens Budget	A	Published
In-Year Reports	A	Published
Mid-Year Review	A	Published
Year End Report	A	Published
Audit Report	B	Published



* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey 2010. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. South Africa publishes a comprehensive budget proposal, but gaps in information are found in the following areas:

- It lacks information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on quasi-fiscal activities, tax expenditures, and financial and other assets. Absent this information, the public does not know the government's true fiscal position.
- Despite laudable efforts to improve monitoring and evaluation systems, the budget proposal still lacks information on outputs and outcomes. This information is important for those who are interested in monitoring the budget's impact.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. South Africa publishes a comprehensive Pre-Budget Statement.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide the public with the data it can use to assess the government's stated policy priorities and hold it to account. South Africa publishes a comprehensive Enacted Budget.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. South Africa publishes a comprehensive Citizens Budget.

In-Year Reports provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the enacted budget figures and thus can facilitate adjustments. South Africa publishes comprehensive In-Year Reports.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the mid-point of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. South Africa publishes a comprehensive Mid-Year Review.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating adjustments for upcoming budget years. South Africa publishes a comprehensive Year-End Report.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping

OPEN BUDGET SURVEY 2010

South Africa

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

Theminkosi Dlamini
Russel Wildeman
Economic Governance
Programme, IDASA
357 Visage Street, Pretoria,
South Africa
+27123920500
rwildeman@idasa.org.za
tdlamini@idasa.org.z

is balanced and accurate, and whether there were problems in the management of public funds. South Africa publishes a fairly comprehensive Audit Report.

Public Participation and Institutions of Accountability

An open budget system ensures the existence of a strong legislature and supreme audit institution (SAI) to provide effective budget oversight and provides opportunities for the public to participate in the budget process.

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Strong
SAI	Strong

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey, budget oversight provided by South Africa's legislature is strong. However, the legislature should be given more time to discuss and approve the budget.

According to the Open Budget Survey, budget oversight provided by South Africa's SAI is strong. However, it does not:

1. have proper channels of communication with the public; and
2. receive adequate reporting on the follow-up steps taken by the executive to address audit recommendations for remedial action.

Recommendations

South Africa should:

- Make the Audit Report fully comprehensive;
- Provide the legislature with more time to discuss and approve the budget;
- Create a mechanism for the SAI to receive input from the public. Having this mechanism in place would give the Auditor General's office leads about problem areas and allow the office to target them for special audits, stem non-procedural practices in a timely fashion, and thus improve efficiency; and
- According to the OBI researcher, educate the public about the role of the Auditor General and improve transparency of subnational budgets.