

**International Budget Partnership
OPEN BUDGET QUESTIONNAIRE
Papua New Guinea, September 2009**

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International Budget Partnership OPEN BUDGET QUESTIONNAIRE

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Section One: The Availability of Budget Documents

Table 1. Budget Year of Documents Used in Completing the Questionnaire

Budget Documents Used in Completing the Questionnaire	
	Budget Year Used
Pre-Budget Statement	2010
Budget Summary	2009
Executive's Budget Proposal	2009
Supporting Budget Documents	2009
Citizens Budget	Not Available
Enacted Budget	Not Available
In-Year Reports	Not Available
Mid-Year Report	2009
Year-End Report	2008
Audit Report	Not Available

Table 2. Key Budget Documents Used: Full Titles and Internet Links

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	<p>2010 Budget Strategy Paper http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2010%20BSP.pdf</p>
Budget Summary	<p>Budget Speech of 18 November 2008 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Speech/speech.pdf National Budget Presentation (a summary of the Budget) Publicly Available, but not on the Internet</p>
Executive's Budget Proposal	<p>2009 Budget Presented to the Legislature on 18th November 2008. The Budget volumes were released in small numbers (to the press, accounting firms and other institutions) during the Press 'Lockup' on 18th November. They were available on the Internet a day or so later. Budget Documents Vol 1 - 3, 2009. http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt3.html http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html</p> <p>The Appropriation Bills and other draft Budget legislation were also released during the Budget 'Lock-up' to the Press and other institutions at the time of the presentation of the Budget to the Legislature, but not (for 2009) released on the Internet, namely: Appropriation (Recurrent Expenditure 2009) Bill 2008 Appropriation (Development Expenditure 2009) Bill 2008 Appropriation (National Parliament 2009) Bill 2008, Appropriation (Judicial Services 2009) Bill 2008 Customs (2009 Budget Amendment) Bill 2008 Income Tax(2009 Budget Amendment) Bill 2008 and Stamp Duties (2009 Budget Amendment) Bill 2008</p>
Budget Document One in Support of the Executive's Budget Proposal	<p>Medium Term Fiscal Strategy 2008 - 2012 http://www.treasury.gov.pg/html/publications/publications.html (This was updated in mid-2008, following extensive stakeholder consultation, and provides the basis for the 2009 Budget. It is also incorporated in Volume 1 of the Executive Budget Proposal)</p>

<p>Budget Document Two in Support of the Executive's Budget Proposal</p>	<p>Medium Term Development Strategy 2005 - 2010 http://www.treasury.gov.pg/html/publications/publications.html (This is not updated, although to be reviewed in 2009; however, Volume 1 of the Executive Budget Proposal does include Chapter 6 on the strategy, relating allocations in the 2009 Budget to that strategy and some detail on monitoring implementation in relation to the strategy under the MTDS Performance Management Framework)</p>
<p>Budget Document Three in Support of the Executive's Budget Proposal</p>	<p>Medium Term Debt Strategy 2009 - 2013 http://www.treasury.gov.pg/html/public_debt/public_debt.html (This is updated annually to cover new financial and macro-economic forecasts, and for 2009 highlights extensive new issues. It is also included in Volume 1 of the Executive Budget Proposal)</p>
<p>Citizens Budget</p>	<p>Not Produced</p>
<p>Enacted Budget</p>	<p>Produced but Not Available.</p> <p>Certified copies of the 2009 National Appropriation and related Budget legislation remain unavailable publicly (and to the bureaucracy) having not yet been released from Parliament. The Budget was passed two weeks after it was tabled, on 2nd December 2008. This interval is standard and there is routinely little debate on the Budget, with the Government, with apparent connivance from the Parliamentary Speaker, limiting opportunity for debate. The Budget is standard passed in totality, without any alteration. It appears not yet even to have been certified, however, by the Speaker's office. The Treasury Department aims to make it available on their internet site once available to them, as they did for the 2008 Budget (certified in March 2008). The Legislative Counsel's Office (which drafts Government initiated legislation) also has an arrangement whereby it makes all legislation available in electronic form, through the University of the South Pacific's PACLII website. (Reporting on the 2009 Budget received inadequate coverage in the press, as one of the two dailies, the Post Courier, wasn't reporting the Budget process having been expelled from the pre-Budget lockup by the Treasurer as a 'punishment' for undue prior speculation on the Budget!)</p>

<p>In-Year Reports</p>	<p>Not Available within the required timeframe acceptable by the OBI methodology.</p> <p>Fiscal Outturn Report March 2009, http://www.treasury.gov.pg/html/publications/files/for_files/2009/March.pdf</p> <p>So, with the Monthly outturn reports, March's was out on 13 July, but the report for Jan-Feb was not out till 23rd Sept, May's on 28th Sept, June's on 14th Oct, and then July, August and Septembers' were all released together on 15th December. The Treasury's quarterly Economic Monitor was also not released in 2009 at all, with no edition since late 2008. The Bank of Papua New Guinea's Quarterly Economic Bulletin, which also provides aggregated Fiscal data, is consistently about 2-3 months before release (partly as they also widely distribute properly printed copies, as well as web based and the printing time holds them up, whereas Treasury in practice only provides the outturn reports on the web, and used to provide the Bulletin also in small numbers printed in-house)...so their QEB for March was out 22 June and June was out on 6th Oct</p>
<p>Mid-Year Review</p>	<p>2009 Mid Year Economic and Fiscal Outlook Report, June 2009. http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2009%20MYEFO%20Report.pdf</p>

Year-End Report	<p>2008 Final Outcome Report released on 31 March 2009. http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf</p>
Audit Report	<p>Produced but Not Available to the Public (made available too late) 2006 (2007 less than 50%, partially available on internet)</p> <p>The Supreme Audit Institution (the Auditor General) had recently set up its website but has only placed the annual audit reports for the Statutory bodies and State-owned enterprises on the internet, to date, neither the Overall Audit, nor that of the National Government nor Provincial or Local Level Government yet. Hard copies of 2006 Audit Reports are available publicly from the Auditor General's Office and are in a few institutional libraries.</p> <p>http://www.ago.gov.pg/docs/reports/Report_of_Auditor-General_-_2007_Part_1.pdf http://www.ago.gov.pg/docs/reports/Report_of_Auditor-General_-_2007_Part_2.pdf http://www.ago.gov.pg/docs/reports/Report_of_Auditor-General_-_2007_Part_3.pdf http://www.ago.gov.pg/docs/reports/Report_of_Auditor-General_-_2007_Part_4.pdf</p>
Other Documents	<p>Media Releases 2009 http://www.treasury.gov.pg/html/media_releases/media_releases_2009.html. 2007 Tariff Review Report 2008 Supplementary Budgets http://www.treasury.gov.pg/html/national_budget/national_budget_supplementary.html. Fiscal Responsibility Act 2006, Public Finances (Management) Act 1995 and amended 2006. http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf 2009 Budget Circulars No. 1-7 (7 of 28 July 2009 setting out the schedule and parameters for the 2010 Budget preparation process. Budget circular 2/2009 provides the details schedule for the 2010 Budget, including public submissions, ceilings, launch of mid-year outlook, presentation to Government and Parliamentary committees and tabling in Parliament) http://www.treasury.gov.pg/html/national_budget/files/2009/budget%20circulars/Circular%207-09.pdf Bank of Papua New Guinea Quarterly reports December 2008, March 2009 and statistics (released in hard copy and on website) http://www.bankpng.gov.pg/images/stories/qeb/Dec2008/december_2008_QEB.pdf http://www.bankpng.gov.pg/images/stories/qeb/2009%20QEB%20Press%20Release/press_statement_mar09qeb_3.pdf http://www.bankpng.gov.pg/index.php?option=com_content&task=view&id=239&Itemid=121 Bank of Papua New Guinea Monetary Policy Statement March 2009 http://www.bankpng.gov.pg/images/stories/mps_march_2009_final_revised1.pdf</p>

<p>Relevant Ministries & Departments</p>	<p>http://www.planning.gov.pg/ (This is a new website for the Planning Department, responsible for the "Development Budget." It currently contains little information) http://www.treasury.gov.pg/html/misc/ministry.html, http://www.bankpng.gov.pg/ (the Bank of Papua New Guinea, provides a Quarterly Economic Bulletins, which include some details of fiscal operations and public debt, and issues Monetary Policy statements, subject to the requirements of its own legislation, including obligations for Monetary Policy) Internal Revenue Commission: http://www.irc.gov.pg/, Independent Consumer and Competition Commission: http://www.iccc.gov.pg/ http://www.nefc.gov.pg National and Economic Fiscal Commission (independent Constitutional Office intended to office examines the distribution and equalize funding between different sub-national governments This includes the NEFC (sub-national) fiscal report, including reference to :Intergovernmental Relations (Functions and Funding) Act 2008: http://www.nefc.gov.pg/publications/2009%20Budget%20Fiscal%20Report.pdf PNG Parliament: http://www.parliament.gov.pg/ this website is under construction and currently provides no information</p>
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Table 3. Distribution of Documents Related to the Executive’s Budget Proposal*

DISTRIBUTION OF BUDGET DOCUMENTS						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes						Yes
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request						
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes	
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?</i>						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	No	Yes	Yes	No	Yes	NA
2. Advance notification of release is sent to users, media	Yes	Yes	No	Yes	Yes	NA
3. Released to public same day as official release to media	Yes	Yes	Yes	Yes	Yes	NA
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes	NA
5. Free print copies available, limited distribution	No	Yes	Yes	Yes	Yes	NA
6. Free print copies available, mass distribution	No	No	No	No	No	NA
7. Readily available outside capital and/or big cities ⁺	Yes	Yes	Yes	Yes	Yes	NA
8. Written in more than one language	No	No	No	No	No	NA
9. News conference is held to discuss release	Yes	Yes	Yes	Yes	Yes	NA

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

⁺Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

*** Government Comments for Table 3 are available at the end of the Questionnaire**

Table 4. Distribution of the Enacted Budget and Other Reports

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes	Yes				
B. Produced for internal purposes, but not available to the public		Yes			Yes
C. Produced and available to the public, but only on request					
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)			Yes	Yes	
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	NA	NA	Yes	Yes	No
2. Advance notification of release sent to users, media	NA	NA	No	No	No
3. Released to public same day as official release to media	NA	NA	Yes	Yes	No
4. Available on the Internet free of charge	NA	NA	Yes	Yes	No
5. Free print copies available, limited distribution	NA	NA	Yes	Yes	Yes
6. Free print copies available, mass distribution	NA	NA	No	No	No
7. Readily available outside capital/big cities ⁺	NA	NA	Yes	Yes	No
8. Written in more than one language	NA	NA	No	No	No
9. News conference is held to discuss release	NA	NA	No	Yes	Yes

⁺Mark "Yes" if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Section Two: The Executive's Budget Proposal

Notes on abbreviations:

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

Note 1: The Open Budget Survey research process was carried out over a 12-month period and the final version of the Open Budget Questionnaires reflect decisions made after multiple rounds of discussions between Survey researchers, peer reviewers, and the International Budget Partnership (IBP) (in several countries these decisions also considered comments received from governments). When peer reviewers or governments agreed with the answers provided by researchers, they often provided no comment. Thus for many questions, the section in the questionnaire that should contain peer reviewer comments is left blank. However, if the government did not provide any comments to a question (because it did not dispute the answer), the section within the questionnaire that is meant to reflect government comments specifies the answer that the government agreed with (by default).

Since the IBP continued its discussions with the researchers even after receiving peer reviewer and government comments, for some questions these discussions resulted in a mutual decision to change the answers, even if the peer reviewers and governments agreed with the original answer provided by the researcher. Such changes may have happened as a result of:

1. A more consistent application of the Survey methodology;
2. New information identified by the researcher or by IBP that had a bearing on the answer for a particular question; or
3. Decisions made to ensure cross-country comparability of answers.

For more information on these changes for any question please write to info@internationalbudget.org.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> a. All expenditures are classified by administrative unit. b. Expenditures are classified by administrative unit, but some small units are not shown separately. c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> 2009 National Budget Recurrent Estimates of Revenue and Expenditure Volume Pt. 1, 2 and 3 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt3.html and Public Investment Program (2009-2012) www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html The windfall expenditure under Supplementary budget is not broken down http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol.</p> <p><u>Comment:</u> All including small units that are classified by the administrative units are shown in the Executive's Budget (Recurrent Estimates Revenue & Expenditure, Volume 2 & 3) for 2009. The allocation to the Trust Funds is not fully detailed by administrative unit.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	a

2. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?

- a. All expenditures are classified by functional classification, and the categorization is compatible with international standards.
- b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards.
- c. Some, but not all, expenditures are classified by function.
- d. No expenditures classified by function are presented.
- e. Not applicable/other (please comment).

Citation:

The Recurrent Expenditure for 2009 in the Executive Budget, (Volume 2 part 1) and the Development Budget (Volume 2 part 2 and Volume 3 - Public Investment Plan) are broken up under basic functional classifications. www.treasury.gov.pg/html/national_budget/files/2009

Comment:

The break up does not however fulfill international standards.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

3. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?

- a. All expenditures are classified by economic classification, and the categorization is compatible with international standards.
- b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards.
- c. Some, but not all, expenditures are classified by economic classification.
- d. No expenditures classified by economic classification are presented.
- e. Not applicable/other (please comment).

Citation:

2009 Budget Volume 2 part 1 (Recurrent) and Volume 2 part 2 and Volume 3 (Development - Public Investment Program)

Comment:

Estimates of Recurrent Expenditure in the 2009 Budget (Volume 2) are broken up by basic economic classification. It does meet the international classification for developing countries. The windfall component of past Supplementary Budget(s) allocated through Trust Funds are not classified and deemed outside the normal annual Budget process for the purpose of expenditure planning.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

4. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the budget year?
- a. Program-level data are presented for all expenditures.
 - b. Program-level data are presented for at least two-thirds of, but not all, expenditures.
 - c. Program-level data are presented, but for less than two-thirds of expenditures.
 - d. No program-level data are presented.
 - e. Not applicable/other (please comment).

Citation:

2009 National Budget - Development Budget, Volume 2 part 2, and Volume 3 (Public Investment Plan)

Comment:

Program level data is presented in the development budget, but details under the Supplementary (or "windfall budgets, resulting from high commodity prices until third Quarter 2008) have not been provided. These activities have not been planned in detail and funds have been set aside under trust funds to provide a longer planning and implementation lead-in time.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: The Recurrent Budget also details expenditure for individual programs in the 2009 National Budget – Recurrent Budget, Volume 2 Part 1 (National Government Departments) and Volume 2, Part 2 (Statutory Authorities and Provincial Governments).

b

5. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?
- a. Yes, multi-year estimates of aggregate expenditure are presented.
 - b. No, multi-year estimates of aggregate expenditure are not presented.
 - c. Not applicable/other (please comment).

Citation:

<http://www.treasury.gov.pg/html/publications/publications.html> (Medium Term Fiscal Strategy 2008-2012),
http://www://www.treasury.gov.pg/html/public_debt/public_debt.html.
http://www.treasury.gov.pg/html/national_budget/national_budget_2009.html (The 2009 National Budget Documents Vol 1) found on this website make up the Enacted Budget).

Comment:

The aggregate expenditure forecasts are provided by the Government for a 5 year period and guided by the current revenue, historic expenditure and priorities and targets under the Medium Term Development and Fiscal Strategies.

a

Researcher Response to this Question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Yes, agreed but it is hard to find it in the overall document. It does not appear until page 179.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because the aggregate expenditure forecasts (and breakup) are provided for the period in the tables, with some explanation also provided in the text. They could perhaps have provided more explanation, highlighting risks and perhaps sensitivity analysis.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

Government Comment: Government did not dispute researcher's answer.

6. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?
- a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
 - b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
 - c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
 - d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
 - e. Not applicable/other (please comment).

Citation:

Refer to Economic and Development Policies of 2009 National Budget, Volume 1, Recurrent and Development Budget 2009 and Public Investment Program, Volume 2 & 3.

Comment:

Broad policy instruments indicating the priorities of government are prepared and shown, however, and aggregates forecast expenditure. More detailed expenditure estimates are only presented for development programs (in Volume 3), particularly with respect to donor funded or joint-funded programs.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

<p>7. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ul style="list-style-type: none"> a. All sources of tax revenue are identified individually. b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. d. No sources of tax revenue are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> 2009 National Budget, Volume 2, Part I (Recurrent Estimates of Revenue), and on an aggregated basic for longer (5 year) projections, see Volume 1 (Economic and Development Policies).</p> <p><u>Comment:</u> Sources of tax revenues are clearly identified and based on this the budget estimates are prepared for 2009 and aggregated forecasts for subsequent years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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8. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?
- a. All sources of non-tax revenue are identified individually.
 - b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually.
 - c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually.
 - d. No sources of non-tax revenues are identified individually.
 - e. Not applicable/other (please comment).

Citation:

2009 National Budget, Volume 2, Part I. Recurrent Estimates of Revenue and Expenditure
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html
and Volume 1 for 5 year forecast

Comment:

Sources of non-tax revenue are detailed for 2009 and previous years.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

9. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?

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

Citation:

Budget Document Volume 1 Economic and Development Policies.
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Comment:

Researcher Response to this Question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: I agree; however, in terms of transparency, the information is available but difficult to find.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because the aggregate revenue forecasts (and breakup) are provided in the tables and the text, even if more explanation could perhaps be provided, assessment of risks and perhaps sensitivity analysis.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

Government Comment: Government did not dispute researcher's answer.

a

10. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?

- a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).
- b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.
- c. Yes, multi-year estimates are presented, but only for some individual sources of revenue.
- d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all.
- e. Not applicable/other (please comment).

Citation:

2009 National Budget (Economic and Development Policies, Volume 1)
Appendix 3 Table 8
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Comment:

It provides some breakup between different categories of taxation and other revenue sources.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?
- a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).
 - b. Yes, the data reflect the outstanding debt at the end of the budget year.
 - c. Yes, the data reflect the outstanding debt at the start of the budget year.
 - d. No, data on the outstanding debt are not presented.
 - e. Not applicable/other (please comment).

Citation:

See Volume 1 of the 2009 Budget, table 12 of appendix 3
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html
Refer to Medium Term Debt Strategy 2009 - 2013 in Volume 2 of the Executive Budget
http://www.treasury.gov.pg/html/public_debt/public_debt.html

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?

- a. Yes, interest payments on the debt are presented.
- b. No, interest payments on the debt are not presented.
- c. Not applicable/other (please comment).

Citation:

Refer to: 2009 National Budget Estimates of Recurrent Expenditures, Volume 1 and 2 and Economic and Fiscal Tables, notably table 9.

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/vol2.html

Medium Term Debt Strategy 2009 - 2013

http://www.treasury.gov.pg/html/public_debt/public_debt.html

a

Comment:

Interest payments on debts are presented in relation to the Medium Term Fiscal and Debt Strategies and the planned reduction of debt and improvement in its composition (notably to longer term, lower interest and reduced foreign exchange risk). The details are available in the Budget document, although it would be preferable if one didn't have to wade through details of interest rate, new debt, amortizations.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?

- a. Yes, extensive information related to the composition of government debt is presented.
- b. Yes, key additional information is presented, but some details are excluded.
- c. Yes, some additional information is presented, but it lacks important details.
- d. No, additional information related to the composition of government debt is not presented.
- e. Not applicable/other (please comment).

Citation:

2009 National Budget, Volume 1 Economic and Development Policies, Chapter 10, and Table 12 in the Economic and Fiscal Tables Appendix 3
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html
http://www.treasure.gov.pg/html/national_budget/files/2009/budget_html/Vol2.html Volume 2 Part 1 Table 4

Comment:

Researcher Response to this Question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b," perhaps even as low as "c." The FX denominated debt is absent, maturity date is absent and Chapter 10, as cited, is proposed policy not actual results.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because, although there is extensive policy discussion of the issues and approach to shifting debt composition, and there is some detail of the composition of domestically and externally financed public debt, there is limited breakup of the external debt in relation to maturity, interest rates etc.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

Government Comment: Government did not dispute researcher's original answer "a," which the IBP modified for consistency purposes.

b

14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?

- a. Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly.
- b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
- c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
- d. No, information related to the macroeconomic forecast is not presented.
- e. Not applicable/other (please comment).

Citation:

2009 National Budget Volume 1 National and Economic Policies, notably Chapter 8, Medium Term Outlook and Appendix 3 Economic and Fiscal Tables

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Budget Strategy Paper 2009

http://www.treasury.gov.pg/html/national_budget/files/2008/budget_documents/2009%20BSP.pdf

Comment:

The Budget Strategy Paper in mid year provides the basis and forecasts for the Budget which are then refined and incorporated in the final Budget Volume 1 analysis and forecasts, included in the economic and fiscal tables.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

<p>15. Does the executive’s budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of different macroeconomic assumptions on the budget is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Economic and Development Policies, Volume 1 (Chapter 8, Medium Term Outlook and Chapter 9, Medium Term Fiscal Strategy and Chapter 10 Medium Term Debt Strategy) http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html</p> <p><u>Comment:</u> The budget figures are based upon currently conservative export commodity prices, in recognition of their past volatility. There is some, though limited, sensitivity or scenario analysis in the Budget documents notably on revenue with different commodity prices (Volume 1) and alternative approaches to debt management. A major effort has been focused upon what constitutes 'normal' revenue (utilizing a set formula), and differentiating from short term windfall revenue during boom years, to ensure consistent and sustainable core recurrent expenditure.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>C</p>
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16. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?
- a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
 - b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on the impact of policy proposals on expenditures is not presented.
 - e. Not applicable/other (please comment).

Citation:

Refer to National Budget Volumes 1, 2 & 3

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3

Comment:

There is some explanation in Volume 1 in relation to adjusted revenue and the cost of new expenditure commitments, like new sub-national financing arrangements, sector programmes (in Chapter 7) and some measures related to the revised Medium Term Fiscal and Debt strategies and progress with alignment of expenditure with the Medium Term Development Strategy priorities (although the latter five year plan is not annually revised, and subject to a forthcoming review).

b

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate answer might be "c." I think it is fair to say that the information is there but it is not presented in such a way as to meet the Q.16 criteria.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because some detail is provided on the expenditure implications of new policies, such as the equitable sub-national resource allocations, etc, in Chapter 5. It's true that it could be more systematically provided, and perhaps in a summary table.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

Government Comment: Government did not dispute researcher's answer.

17. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?

- a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on the impact of policy proposals on revenues is not presented.
- e. Not applicable/other (please comment).

Citation:

Refer to: 2009 Recurrent Budget Volume 1 Economic and Development Policy, notably Chapter 4 on Taxation and Chapter 9 on Fiscal Strategy
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

And regarding Revenue and Estimates of Revenue and Expenditure, see: Volume 2

http://www.treasury.gov.pg/html/national_budget/files/2009_html/Vol2.html.

Comment:

Note: there were no significant new revenue raising initiatives in the 2009 Budget; the policy focus was more on managing additional revenues from commodity booms, and ensuring sustained revenue in the aftermath of these temporary swings

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

Estimates for Years Prior to the Budget Year

18. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?
- All expenditures are classified by administrative unit for BY-1.
 - Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.
 - Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.
 - No expenditures classified by administrative unit are presented for BY-1.
 - Not applicable/other (please comment).

Citation:

Refer to: 2009 Budget Volumes 2 parts 1 & 2
Recurrent Budget and Development Budget Estimates of Expenditure
http://www.treasury.gov.pg/html/national_budget/files/2009/budget.html/Vol2.html

Comment:

Note that BY-1 comprises only appropriations (original or revised) not actuals, which apply only to BY-2. Information on aggregate actuals is publicly available to August from the fiscal outturn reports at the time of the Executive Budget (and for the whole year in March 2009 in the Final Budget Outcome). Expenditure under the Supplementary Budgets administered through Trust Funds are not yet fully classified or specified. At the time of the Budget only summaries of actuals to August BY-1 are available in summary, in the August Fiscal Outturn Report.

a

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: The actuals only apply to BY-2. One of the key problems with PFM in PNG is that accounts remain open and active too long after the end of the financial year, which is why only actuals of 2+ budget years can be presented. I would suggest "d."

Researcher Response: I chose my answer "c" because a breakup is provided in relation to the estimates, although these are not updated in the Executive Budget and are not provided in detail in supporting documentation or other available government reports.

IBP Comment: IBP editors chose answer "a" to maintain consistency of assumptions in selecting answers across countries. See question 1. All expenditures are reported by administrative unit.

Government Comment: Government did not dispute researcher's original answer "c," which the IBP modified for consistency purposes.

19. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?
- a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.
 - b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.
 - c. Some, but not all, expenditures are classified by function for BY-1.
 - d. No expenditures classified by function are presented for BY-1.
 - e. Not applicable/other (please comment).

Citation:

Refer to: 2009 Budget Volumes 1 Chapter 1, and Volume 2 parts 1 & 2 Recurrent Budget and Development Budget Estimates of Expenditure http://www.treasury.gov.pg/html/national_budget/files/2009/budget.html/Vol2.html

Comment:

Note that BY-1 comprises only appropriations (original or revised) not actuals, which apply only to BY-2, although aggregate data was publicly provided in the Fiscal outturn reports to August BY-1 (and to year end in March 2009 in the Final Budget Outcome). Expenditure under the Supplementary Budgets administered through Trust Funds is not yet fully classified or specified

b

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer "b" to maintain consistency of assumptions in selecting answers across countries. See question 2.

Government Comment: BY-1 data comprises revised appropriations current as at publication of budget documents.

20. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?
- All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.
 - All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.
 - Some, but not all, expenditures are classified by economic classification for BY-1.
 - No expenditures classified by economic classification are presented for BY-1.
 - Not applicable/other (please comment).

Citation:

Refer to 2009 Budget volume 2, (part 1), Recurrent Budget Estimates of Revenue and Expenditure Summary Tables and volume 2 (part 3) 2009 Estimates of Development Expenditure, Volume 2 (Part 3) (Development Summary Tables)

http://www.treasury.gov.pg/html/national_budget/files/2007/budget_html/national_budget_2007_vol2_part1.html

http://www.treasury.gov.pg/html/national_budget/files/2007/budget_html/national_budget_2007_vol2_part1.html

Comment:

These figures for BY-1 are only the appropriation (original or revised), not the actual expenditure. Actual expenditure is only available for BY-2 (and in aggregate publicly available to the third quarter BY-1 in the fiscal outcome reports). All recurrent and development expenditure for the previous year is broken up by economic classification, but not expenditure in the 'windfall' component of Supplementary Budgets managed under the Trust Funds or funds for Statutory bodies or Provincial Governments

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer "b" to maintain consistency of assumptions in selecting answers across countries. See question 3.

Government Comment: BY-1 data comprises revised appropriations current as at publication of budget documents.

b

21. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?
- Program-level expenditure data are presented for all expenditures for BY-1.
 - Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.
 - Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.
 - No program-level expenditure data are presented for BY-1.
 - Not applicable/other (please comment).

Citation:

Refer to Volume 1 for aggregate estimates (plus programme Trust Account expenditure) and 2009 Estimates of Development Expenditure Volume 2 Part 3
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_pt3.html and
Volume 3 of the Budget (Public Investment Program)
http://www.treasury.gov.pg/html/national_budget/files/2007/budget_html/national_budget_2007_vol3.html.

Comment:

The Budget documents only show the appropriations (original or revised) for BY-1, except for estimates of aggregates in Volume 1 (and in the in-year fiscal outturn reports); actuals only apply for BY-2. Concerns exist over the reporting of the programmes managed through Trust Accounts allocated in successive Supplementary Budgets; the Executive Budget Volume 1 provides details of Trust Account expenditure (for Sector Trust Accounts and the District Service Improvement Programme Trust Accounts) and explicitly refers to the Mid-Year Economic and Fiscal Outturn Report for more details of Supplementary Budget Trust Account expenditure

The practice is similar to that in the previous period, but researcher reassessment has led to a change in response.

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: The actuals only apply to BY-2. As previously mentioned, one of the key problems with PFM in PNG is that accounts remain open and active too long after the end of the financial year, which is why only actuals of 2+ budget years can be presented. I would suggest "c." The reviewer does not really clarify the extent to which BY-1 contains a mixture of real and updated estimates for the FY. Issues of management controls over trust accounts also contribute to a suggested "c" rather than "b."

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because the Executive Budget does provide extensive estimates, although these figures are largely not updated,

b

and updated figures in other Budget documents are not broken down into detail at the project level. It's touch and go whether this should be "b" or "c," and as reviewer 2 suggests it would be useful to have the books closed earlier and more extensive updates of estimates provided (which are largely available), if not yet the actual.

IBP Comment: IBP editors chose answer "b." As in question 18, this question does not ask about actuals.

Government Comment: BY-1 data comprises revised appropriations current as at publication of budget documents.

22. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?

- a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.
- b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.
- c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.
- d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.
- e. Not applicable/other (please comment).

Citation:

Updated estimates of aggregates are provided in Volume 1 of the Executive Budget to the third quarter.

Only original budget appropriations are provided for BY-1 for detailed recurrent and development expenditure.

Refer to the 2009 Budget, volume 2 (parts 1-3), recurrent and development expenditure.

National Budget Economic and Development Policies, Volume 1 chapter 1.

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf

Comment:

Whilst the Treasury and Finance Departments holds details on a functional and institutional basis (including for some programmes), including from quarterly reviews, the details are not publicly released in the Executive Budget for BY-1, except on an aggregate basis. (Summary details of -unaudited- aggregate Actuals for BY-1 were provided in March 2009, as required under the Fiscal Responsibility Act, in the Final Budget Outcome Report).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: BY-1 data comprises revised appropriations current as at publication of budget documents.

C

23. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?

- a. Yes, such prior-year estimates of aggregate expenditure are presented.
- b. No, such prior-year estimates of aggregate expenditure are not presented.
- c. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget, Economic and Development Policies, Volume 1 (notably Chapter 1 and the tables) and 2009 Recurrent Budget Estimates of Revenue and Expenditure
http://www.treasury.gov.pg/html/national_budget/files/2009/budget.html/Vol1.html

Comment:

Actuals are provided for BY-3-5, "estimates" for BY-2 and "projections" for BY-1

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

24. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?
- a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
 - b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
 - c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
 - d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.
 - e. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget, Recurrent Estimates of Revenue and Expenditure Volume 2 Pt.1, 2 and 3.

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt.2.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt.3.html

Comment:

Detailed breakdowns are provided for BY-2, not prior to that. For earlier years only aggregate figures are provided, in Volume 1.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

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

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

Citation:

Refer to 2009 Recurrent Budget Estimates of Revenue and Expenditure, Volume 2, Parts 1, 2 and 3

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt3.html.

Comment:

BY-2 (unaudited) actuals are presented in the 2009 National Budget.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?

- a. Yes, prior-year data are always adjusted to be comparable to the budget year data.
- b. Yes, in most cases, prior-year data are adjusted to be comparable.
- c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist.
- d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget Recurrent Estimates of Revenue and Expenditure in Volume 1, 2, and 3

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt3.html.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

27. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?

- a. All tax revenues are identified individually for BY-1.
- b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually.
- c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually.
- d. No tax revenues are identified individually for BY-1.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget Recurrent Estimates of Revenue and Expenditure, Volumes 1, 2 (tables 1 & 2) and 3
2008 Final Outcome Report

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt3.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf

Comment:

Taxes are broken up into personal income, company tax, export tax, excise duty, VAT etc. notably in aggregate in the Appendix 3 Table 8 of Volume 1 and in detail in Volume 2.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

28. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?

- a. All non-tax revenues are identified individually for BY-1.
- b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.
- c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.
- d. No non-tax revenues are identified individually for BY-1.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget Economic and Development Policies
Volume 1 for aggregates
2009 Recurrent Estimates of Revenue and Expenditure, Volumes 2 Part 1
for revenue details notably Table 1 of the Summary tables.
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html

Comment:

Broken up into dividends, other property incomes, Departmental Administrative fees and charges, fines, interest and fees, asset sales etc.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

29. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?

- a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.
- b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.
- c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.
- d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget Recurrent Estimates of Revenue and Expenditure of National Departments, Volume 2. Monthly Fiscal Outturn Reports provide also actual progressive data on revenue collected (although they're produced sporadically) 2009 Quarterly Performance Review of agencies
http://www.treasury.gov.pg/htmlnational_budget/files/2009/budget_html/Vol2_Pt.html

a

Comment:

Revised projections are provided for BY-1, based upon 6+ months of actual revenue data (although the period is not specified in the text and specific details of actual receipts, as opposed to estimates, are not provided). From information collected from the 2009 second quarter performance reviews submitted from line agencies to Department of Treasury, this data is used as the basis for the estimates for the coming year.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

30. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?

- a. Yes, such prior-year estimates of aggregate revenue are presented.
- b. No, such prior-year estimates of aggregate revenue are not presented.
- c. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget Economic and Development Policies, Volume 1, notably appendix 3, table 8
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Comment:

BY-2 (and prior years) aggregate revenue is shown in Volume 1. More detailed breakdown is shown in Volume 2, only for BY-2

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

31. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?

- a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).
- b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.
- c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue.
- d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all.
- e. Not applicable/other (please comment).

a

Citation:

Refer to National Budget Economic and Development Policies Volume 1, Appendix 3 Table 8 and to Volume 2, part 1 for detailed breakup.

Comment:

A breakup is provided for BY-2 and (in aggregate) for previous years, although a detailed break up is only shown for BY-2.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

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

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

Citation:

Refer to 2009 National Budget Economic and Development Policies
Volume 1
2009 Recurrent Budget Estimates of Revenue and Expenditure, Volume 2
Part 1,2,3
http://www.treasury.gov.pg/html/national/_budget/files/2009/budgt_html/Vol1.html
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt.html
<http://www.>

Comment:

Actuals for BY-2 are presented in the 2009 National Budget Volume 2 (although the summary in Volume 1 refers to estimates for BY-2).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

33. Does the executive's budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?

- a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.
- b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.
- c. Yes, but only information on the level of debt is presented.
- d. No, information related to the government debt for BY-1 is not presented.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget, Volume 1, Appendix 3 table 12 and Chapter 10 [and the Bank of Papua New Guinea's Quarterly Economic Bulletins for further breakdown (ref. above)]

Comment:

This is provided in the aggregate tables and the text, with some analysis of the debt scenario and options, in relation to the Medium Term Debt Strategy (note, the Bank of Papua New Guinea was granted Independent responsibility for Monetary Policy in the 2002 Central Bank Act, but also provides some independent fiscal data in its role as the Government's bank).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

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

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

Citation:

Refer to: 2009 National Budget Economic and Development Policies
Volume 1 Appendix 3 Table 12 and Chapter 10
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Comment:

The debt figures are related to the updated Medium Term Debt Strategy in Volume 1. Figures are shown only as estimate for BY-2. (More detailed breakdown is incidentally provided in the Bank of Papua New Guinea's Quarterly Economic Bulletin). The details on Public Debt charges, in Volume 2 part 2, refer to actuals.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

Comprehensiveness	
<p>35. Does the executive's budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on extra-budgetary funds is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> 2009 National Budget Recurrent Budget Estimates Volume 2 Part 2 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt.html (Part 1V - Trust Accounts)</p> <p><u>Comment:</u> Important details including purposes, duration, intended beneficiaries and others, are not provided. Only a small proportion of the total, number of the trust accounts, including donor grants, is detailed, with some trust funds not reported upon.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	C

36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?

- a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on intergovernmental transfers is not presented.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 National Budget on Economic & Development Policies, Volume 1 Appendix 2: Table 2.1 and Table 2.2.

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

2009 Recurrent Budget Estimates of Revenue & Expenditure for Statutory Authorities, Provincial Governments, Debt Services, Trust Accounts, Volume 2 Pt.2

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html

And 2009 Estimates of Development Expenditure of National Departments, Statutory Authorities and Provincial Governments.

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt3.html

<http://www.nefc.gov.pg/publications/2009%20Budget%20Fiscal%20Report.pdf>

Comment:

The figures appear to be comprehensive, but actual transfers tend to be significantly different or long deferred. The NEFC fiscal report highlights provincial revenue (including grants from National Government) and the application of equalization payments under Intergovernmental Relations (Functions and Funding) Act 2008. The fiscal report provides "the "how" and "why" of the distribution and level of funding to Provincial Governments and Local-level Governments in the 2009 budget."

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

37. Does the executive's budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?

- a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on transfers to public corporations is not presented.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 Recurrent Budget Estimates of Revenue and Expenditure, Volume 2, Part 1-3 and Volume 3, and Volume 1 Table 9 for aggregates and hard copies of budget documents submitted to Department of Treasury.

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt.2.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html

Comment:

For analysis purposes, all budget documents are submitted in detail to the Department of Treasury and are stored on dummy votes in the computer system and can be looked up if needed (though not generally available publicly). Corporate bodies' funds are transferred as grants; therefore details are not shown in the Budget documents. It should be noted that much funding for public corporations is provided from the Governments holding entity (the Independent Public Business Corporation - IPBC), which is less than transparent with its receipts and outgoings, including the basis upon which the modest funding is released as dividends to Government).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

38. Does the executive's budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?

- a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.
- b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on quasi-fiscal activities is not presented.
- e. Not applicable/other (please comment).

Citation:

2009 Recurrent Budget Estimates Volume 2, part 2

Comment:

Details of activities undertaken and revenues generated from the resource sector (fisheries licenses, forestry, etc), levies and expenditure by agricultural authorities, public finance sector bodies like the Agriculture Bank and Public Officers Service Funds (POSF) and Commercial Statutory Authorities such as PNG Telikom, and so on, are not fully included in the National Budget, although estimates of expenditure from Trust Funds are provided in Volume 2 part 2.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?

- a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value.
- b. Yes, information is presented, highlighting key information, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on financial assets is not presented.
- e. Not applicable/other (please comment).

Citation:

Volume 2 part 1 of the Executive Budget provides the status of Trust Accounts (comprising 6 categories, including: revenue funds, royalty funds, project funds etc: these are third party moneys held in Trust, but can also be moneys held for individuals, and government moneys funded by development partners. some of which are government assets, others held on behalf of other parties, such as landowners for petroleum projects etc. However, the list is not comprehensive, not covering Trust Accounts managed by some Statutory authorities etc, e.g. Forest Authority, etc, although these are also largely held, at least purportedly, on behalf of 3rd parties.

Comment:

No comprehensive summary information is published on the government financial assets in the Budget, and therefore no calculation of government net finance worth can be readily made. Some details are provided for assets which are sold, but no assets were recorded as sold for several years.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?
- a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value.
 - b. Yes, information is presented, highlighting key information, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on non-financial assets is not presented.
 - e. Not applicable/other (please comment).

Citation:

2009 National Budget Economic & Development Policies Volume 1
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Comment:

There is almost no information provided on non-financial assets, except for reference to the plan to develop a whole of government balance sheet committee to better manage the State's overall assets and liabilities, and reference to financing of the 19.5% stake in the proposed new LNG project and guidelines for government investment. Information on the State's equity in various utilities and other SOEs is not shown in the Budget and hard to obtain from other sources, notably the State's holding companies, IPBC and Petromin.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?

- a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on expenditure arrears is not presented.
- e. Not applicable/other (please comment).

Citation:

2009 National Budget Economic & Development Policies Volume 1
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html.
http://www.treasury.gov.pg/html/publications/files/for_files/2009/Apr-May.pdf

Comment:

There is no detail on expenditure arrears or performance with expenditure (merely references in Volume 1 to lags in overall expenditure under the development Budget). More information on expenditure performance (and particularly the lags in Development budget expenditure) is provided in the in-year reports, notably the sporadically released but theoretically monthly "Fiscal Outturn Reports."

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

42. Does the executive's budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?

- a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on contingent liabilities is not presented.
- e. Not applicable/other (please comment).

Citation:

Refer to Medium Term Debt Strategy 2009 - 2013, 2009 Budget Volume 1, Chapter 10
<http://www.treasury.gov.pg/html/publications/publications.html>

Comment:

It merely mentions that strategies are to include better coordination of debt/contingent liability and introduce a whole of Government risk-management framework and asset-liability management framework, which will need to address the likely increased debt or contingent liabilities associated with the planned LNG project. Otherwise reference is only in terms of debt and debt reduction, including reference to repayment of superannuation funds - noting specific contingency liabilities, including the significant loan guarantees built up in the past, particularly pre-2000, and purportedly recorded by the Treasury.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

43. Does the executive's budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?
- a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.
 - b. Yes, information is presented, highlighting key future liabilities, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on future liabilities is not presented.
 - e. Not applicable/other (please comment).

Citation:

Refer to 2009 Economic & Development Policies Volume 1
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Comment:

Consideration only relates to management of existing debts to the superannuation funds, although mentioning potential major future liabilities and emphasizing plans to better manage current and future liabilities and better coordinate semi-autonomous public authorities and SOEs.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

- a. All sources of donor assistance are identified individually.
- b. At least two-thirds of, but not all, sources of donor assistance, are identified individually.
- c. Less than two-thirds of sources of donor assistance are identified individually.
- d. No sources of donor assistance are identified individually.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 Economic & Development Policies, Volume 1

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

2009 Recurrent Estimates of Revenue & Expenditure, Volume 2

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt.1.html

2009 Estimates of Development Expenditure of National Departments, Statutory Authorities and Provincial Governments, Volume 2 Pt.3

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt.3.html

2009 Public Investment Program (2009-2012) - Budget Volume 3

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html

Comment:

Details of donor project funding is provided in Volume 3 (on the PIP), although some analysis of trends in domestic and overseas funding, notably for MTDS priorities, is provided in Volume 1. In the past much donor assistance was ex-Budget, nowadays the amounts are at least reflected in the Budget even if some of the funding by some donors is still managed outside the normal Budget process.

a

Researcher Response to this Question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Agreed, Volume 1 Economic and Development Policies, including Tables 32, 44, 51, 52 and 54 provide details of GoPNG and Donor funding. It does not go to the level of individual projects but perhaps that was contained in the 2009 Recurrent Estimates, Volume 2, where the link was broken.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because this information is provided in detail at the project level, as indicated, in the three volumes of the Executive Budget. Note: this comprises the Development (rather than the Recurrent) Budget, since PNG no-longer receives budget support, and currently only receives project or programme support (in different forms, including under some SWAps) from its development partners.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of

<p>the assumptions used in selecting answers across the countries.</p> <p>Government Comment: Government did not dispute researcher’s original answer “a,” which the IBP modified for consistency purposes.</p>	
<p>45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ol style="list-style-type: none"> Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on tax expenditures is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Refer to 2009 Economic & Development Policies Volume 1 notably chapter 4. http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.htm.</p> <p><u>Comment:</u> This does not provide a quantitative assessment of the cost of tax incentives/concessions, but does present details of recent/current concessions, whilst arguing the need to maintain the integrity of the tax base and avoid ad-hoc exemptions for advantaged investors</p> <p><u>Researcher Response to this Question was “b”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain consistency of assumptions in selecting answers across countries, since no quantitative estimates are given.</p> <p><u>Government Comment:</u> This also provides/reports on expenditure incurred by resource companies through the Infrastructure Tax Credit Scheme (ITC).</p>	<p>C</p>

46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?

- a. All earmarked revenues are identified individually.
- b. At least two-thirds of, but not all, earmarked revenues are identified individually.
- c. Less than two-thirds of earmarked revenues are identified individually.
- d. No earmarked revenues are identified individually.
- e. Not applicable/other (please comment).

Citation:

Refer to Economic & Development Policies, Volume 1 and Volume 2 part 2 (notably part IV - details of Trust Accounts)

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html.

Comment:

Significant amounts of revenue are payable into earmarked Trust Accounts. These are mostly listed in Volume 2 part 2, with details of revenue received included. The list and revenue details are not considered comprehensive, including funds at the sub-national level or multiple agency trust funds. Some Statutory authorities, such as the National Fisheries Authority, have been allowed to collect fees, e.g. fisheries licenses, as though it were deemed institutional revenue, as if it were a commercial entity. The subsequent payment of 'dividends' by the NFA to the State, comprising fees minus NFA costs only, are then recorded as revenue.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?

- a. One percent or less of expenditure is dedicated to secret items.
- b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items.
- c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.
- d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.
- e. Not applicable/other (please comment).

Citation:

Volume 2 part 1 (Recurrent Budget Estimates) of the Executive Budget covers the National Intelligence Organisation (allocation for 2009 3.2 million kina), Defence Intelligence (0.5 mill kina) and Prime Minister's Dept - National Security Advisory Committee (0.6 mill kina), which is well below 1% and this expenditure is shown in the appropriation (and reported upon in public accounts). There was nothing in the Development Budget for 2009, although 1 million for 2008, still well below the 1%.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

The Budget Narrative & Performance Monitoring	
<p>48. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> a. Yes, extensive information on the link between the budget and the government’s stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the link between the budget and the government’s stated policy goals is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Refer to 2009 Economic and Development Policies, Volume 1, particularly chapters 3 (on Trust Funds) & 6 on Development Strategy and 7 on Sectoral policies, and Ch 8-10 re. outlook and fiscal and debt strategies http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html</p> <p><u>Comment:</u> Income and expenditure and associated measures are specified in relation to the Medium Term Development, Fiscal and Debt Management Strategies, past performance and current economic conditions, but not in detail by administrative or functional category. Chapter 7 discusses the rationale and progress with aligning expenditure with priorities. Volume 2 parts 1-3 fail, however, to provide programme specific justification on the basis of priorities. Coordination is intended to be improved through a Medium Term Resource Framework, although little detail is provided.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	b

49. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals for a multi-year period (for at least two years beyond the budget year)?
- Yes, extensive information on the link between the budget and the government's stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting the major policy goals, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on the link between the budget and the government's stated policy goals over a multi-year period is not presented.
 - Not applicable/other (please comment).

Citation:

Refer to 2009 Economic and Development Policies, Volume 1,
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Comment:

This provides details of the linkages with the Medium Term Development, Fiscal and Debt Management Strategies, and a current review of performance in relation to the MTDS, although the documents recognize the very limited progress in achieving progress with respect to MTDS (and MDG) objectives and basic social indicators. The MTFs and MTDebtS are being annually updated, whilst the 2005-2010 MTDS is currently being reviewed and revised for a further five year term. Some longer term planning is also being undertaken under a Long Term Development Strategy, as specified. There remains some disconnect between strategies, rhetoric and the provision of details (and needed base-line data) and effective implementation.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?
- a. Non-financial data are presented for all programs.
 - b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
 - c. Non-financial data are presented for programs representing less than two-thirds of expenditure.
 - d. No non-financial data are presented.
 - e. Not applicable/other (please comment).

Citation:

Refer to 2009 Public Investment Program (2009-2012) Volume 3 (and Volume 2 part 3)
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html.

Comment:

Non financial information (including programme justification, components, sustainability etc, plus beneficiaries) are presented, however comprising only very vague and qualitative details, e.g. of beneficiaries, rather than quantitative data (e.g. the people of this area or all farmers or public servants generally will benefit).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ol style="list-style-type: none"> The non-financial data are very useful for assessing program performance. The non-financial data are mostly useful for assessing program performance. The non-financial data are somewhat useful for assessing program performance. No non-financial data are provided or they are not useful for assessing program performance. Not applicable/other (please comment). <p><u>Citation:</u> 2009 Budget, Public Investment Program (2009-2012) Volume 3. http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol.html.</p> <p><u>Comment:</u> Non financial data that are available provide general but not specific information, and in most cases are not of sufficient precision or quality to be used for assessing performance. If more detailed information is available it will be contained in project submissions and not in the Budget documents publicly released.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d
<p>52. Does the executive's budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ol style="list-style-type: none"> Performance indicators are presented for all programs. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. Performance indicators are presented for programs representing less than two-thirds of expenditures. No performance indicators are presented. Not applicable/other (please comment). <p><u>Citation:</u> Refer to 2009 Recurrent Budget Estimates of Revenue & Expenditure Vol.2 Pt 1, 2 & 3 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt3.html 2009 Public Investment Program (2009-2012), Volume 3 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html</p> <p><u>Comment:</u></p>	b

<p>So-called Performance Indicators are provided for about 2/3 of allocations in the recurrent and development budget, but they are mostly very vague and largely fail to comply with the definition of performance indicators. (Various respective sector agencies have their own performance indicators and targets and the project submissions include some more specific indicators, in some cases).</p> <p>The practice is similar to that in the previous period, but researcher reassessment has led to a change in response.</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "c." I looked through the citations and I could not locate any performance indicators that I would classify directly as KPIs. Perhaps I have missed the references that the reviewer has used. However, I would suggest it would be closer to a "c."</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because there are performance indicators provided from more than 2/3 of programs/projects in the development budget and in the recurrent budget. I agree it is touch and go whether it should be "b" or "c," and consider that a much more rigorous application of standards for performance indicators should be applied by GoPNG to make the exercise of providing indicators useful.</p> <p><u>IBP Comment:</u> IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.</p> <p><u>Government Comment:</u> Government did not dispute researcher's original answer "b," which the IBP modified for consistency purposes.</p>	
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53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?

- a. All performance indicators are well designed.
- b. Most performance indicators are well designed.
- c. Some performance indicators are well designed, but most are not.
- d. No programs have performance indicators, or they are not well designed.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 Recurrent Budget Estimates of Revenue & Expenditure (Volume 2 parts 1, 2 & 3)

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vo2_Pt1.html

2009 Public Investment Program (2009-2012).Volume 3

http://www.treasury.gov.pg.html/national_budget/files/2009/budget_html/Vol3.html

Comment:

The performance indicators for programmes provided in the Budget documents (Volume 2 part 3) are insufficient to make any real assessment of programme performance. The information that is available is general in nature and inadequate to measure performance. Volume 1 of the 2009 Budget does specify that 3 new initiatives have been introduced since 2007 to improve monitoring of development progress: - (i) the MTDS Performance Management Framework for application in 2007 to assess progress in relation to the MTDS priorities; (ii) PNG info under preparation to assess performance in relation to the MDGs (for application in 2008); and (iii) the Results Based Monitoring System to monitoring projects/programs under the PIP for introduction in 2009 No results are, however, provided in relation to programmes in the 2009 Budget with respect to ongoing programs.

C

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

54. Are performance indicators used in conjunction with performance targets presented in the executive's budget or any supporting budget documentation?

- a. All performance indicators are used in conjunction with performance targets.
- b. Most performance indicators are used in conjunction with performance targets.
- c. Some performance indicators are used in conjunction with performance targets, but most are not.
- d. No performance indicators are used in conjunction with performance targets.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 Budget Volume 1, Chapter & Sectoral Policies and Recurrent Budget Estimates of Revenue and Expenditure of National Government Departments

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html

2009 Estimates of Development Expenditure of National Departments, Statutory Authorities and Provincial Governments.

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html

2009 Circular No.5/2009 on Second Quarter Budget Review.

http://www.treasury.gov.pg/html/national_budget/files/2009/budget%200circulars/Circular%205-09.pdf and

Performance review templates submitted to Department of Treasury.

Comment:

Some specific sectoral performance indicators are available in the budget documents, as developed in sector strategies and corporate plans.

Sectoral or respective agencies design performance indicators according to the expenditure priorities of government (such as the Medium Term Development Strategy, or individual sector strategies). Some evidence of Performance reported in the 2009 second quarterly review templates do measure against the indicators reflected in the budget documents.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

55. Does the executive's budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country's most impoverished populations?

- a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on policies intended to alleviate poverty is not presented.
- e. Not applicable/other (please comment).

Citation:

Refer to Economic and Development Policies (Volume 1),

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

2009 Recurrent Budget Estimates of Revenue and Expenditure Volume 2 Pt.1-3

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt1.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt3.html

http://www.treasury.gov.pg/html/national_budget/files/2009_html/Vol3.html

NEFC report

Comment:

At least 2 of the MTDS priorities are focused on aspects of poverty alleviation and some effort has been made to aligning the budget to these priorities, notably improved funding (ostensibly) for district services and for functional grants for basic services for poorer provinces (equalization), based upon the recommendations from the National Economic and Fiscal Commission (NEFC -www.nefc.com.pg) - an independent Constitutional Office, established to facilitate greater equity in provincial allocations. The District Support Improvement Programme also enables extra funding to reach all Districts in accordance with their priorities, although the programme is fraught with potential financial abuse. Little or no consideration is given in the Budget, however, to alleviating poverty in disadvantaged or vulnerable households, other than addressing issues like HIV/AIDS.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

Additional Key Information for Budget Analysis & Monitoring	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	
<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ol style="list-style-type: none"> Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information is not presented. Not applicable/other (please comment). <p><u>Citation:</u> 2009 Economic & Development Policies, Volume 1 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html 2009 Budget Speech and in the National Gazette. Further tax information is available on the Internal Revenue Commission's website: www.irc.gov.pg/tax_information.htm or from the Investment Promotion Authority: http://www.ipa.gov.pg</p> <p><u>Comment:</u> All information to do with standard prevailing tax rates and changes, or fee schedules etc is made available to the public, though not as readily accessible to ordinary citizens (usually without access to computers) as it should be. Details of rates applicable to respective projects (notably some mining and other investments) which have secured exclusive arrangements are not readily available, or only available in the National Gazette, which is circulated only in printed form and only to subscribers. Volume 1 and 3 of the Budget, plus the Budget Speech, provide details of ongoing tax changes contained within the Budget. (Private accounting firms and the Chambers of Commerce often make the information more widely available, both FOC and at a cost for more detailed material).</p> <p><u>Researcher Response to this Question was "a"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "b." The fact that specific mining royalty agreements are only available by subscription and that those in the community without access to the internet (which would be quite high in PNG) cannot readily obtain data revenue rates (taxes, royalties, charging) means that a "b" answer is more appropriate.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because, although the information is readily available, in recent years some new natural projects have been obtaining exclusive taxation/investment conditions, somewhat a variance with</p>	<p>b</p>

<p>the standard conditions and, although details of these rates are publicly available they have become harder to obtain, particularly since arrangements are handled in some cases through a State-owned enterprise, rather than directly through the conventional mandated State institutions.</p> <p>IBP Comment: IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries.</p> <p>Government Comment: Government did not dispute researcher’s original answer “a,” which the IBP modified for consistency purposes.</p>	
<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ol style="list-style-type: none"> a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. c. Yes, some analysis is presented, but it lacks important details. d. No analysis on the distribution of the tax burden is presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Refer to 2009 Economic & Development Policies, Volume 1. http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html</p> <p><u>Comment:</u> The Government (including the Internal Revenue Commission) provides details of past and expected revenue from different taxes (corporate, personal, mining and petroleum tax, trade and excise taxes etc) but information is not provided in a rigorous manner on how the burden of personal income tax or indirect taxes fall on different portions of the community. Some explanation is provided in the Budget documents on the impact of changes to taxes and tax rates.</p> <p>Peer Reviewer One Comment:</p> <p>Peer Reviewer Two Comment:</p> <p>Government Comment: Government did not dispute researcher’s answer.</p>	<p>C</p>

58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?

- a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
- b. Yes, information is presented, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on conditions associated with IFI assistance is not presented.
- e. Not applicable/other (please comment).

Citation:

2009 Economic & Development Policies, Volume1 Chapter 10 on debt management

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

Budget volume 2, part 2 on debt servicing costs

2009 Public Investment Program (2009 - 2012) Volume 3

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html

Comment:

They are not presented in the annual budget or associated documents, except for some details on the composition of specific program funding and overall debt and debt servicing aspects from donor-funded projects. Some details are provided in press statements following decisions by the Executive, but these are not comprehensive. More specific details (e.g. loan agreements) are available from some of the IFIs on their own websites, or in some public consultations (e.g. through CIMC forums and sector committees) on proposed programs.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: This should be a "b" as Treasury is required by legislation to table any borrowings.

C

59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?

- a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
- b. Yes, information is presented, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on conditions associated with donor country assistance is not presented.
- e. Not applicable/other (please comment).

Citation:

Refer to 2009 Economic & Development Policies Volume 1

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

2009 Public Investment Program (2009-2012) Volume 3

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html

Comment:

Although, this type of information is not presented in the annual budget, it is presented to the public in summary press statements following Executive Decisions (of Cabinet), at public conferences and consultations, such as during the CIMC annual regional and national development forums.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

60. Does the executive make available to the public a summary that describes the budget and its proposals?

- a. Yes, it provides a summary that is very informative.
- b. Yes, it provides a summary that is somewhat informative.
- c. Yes, but the summary is not very informative.
- d. No, it does not provide a summary.
- e. Not applicable/other (please comment).

Citation:

2009 Annual Budget Speech
(www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Speech/speech.pdf and summary provided to the press.

Comment:

The Budget speech provides a clear summary of planned Budget measures. The press and accounting firms (and policy think tanks - like the INA) widely summarize and critique the Budget, utilizing respective Budget volumes (obtained during the Budget 'lock-up' and from the website), disseminating it to the wider community. During the year the Treasury (and other Departments) also uses the CIMC Forums and other venues to explain the composition and progress with budget implementation. Some components are reported upon more rigorously than others.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

<p>61. Does the executive publish a "citizens budget" or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <ul style="list-style-type: none"> a. Yes, it publishes a citizens budget that is very informative. b. Yes, it publishes a citizens budget that is somewhat informative. c. Yes, but the citizens budget is not very informative. d. No, it does not publish a citizens budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> There is no single simplified Citizens Budget, designed to extend understanding and ownership of the budget process. The PowerPoint presentation to the press at the Budget Lockup, and subsequent material presented to the CIMC regional and National forums (public consultations, which include key financial Departments - including Treasury, Finance, Planning and Rural Development) are the nearest there is to a "Citizens Budget," although it is a summary rather than a clear non-technical presentation.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d
<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <ul style="list-style-type: none"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Definitions are not provided, but Volume 1 does provide useful discussion of some economic development issues, such as the impact of prospective LNG development.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d

63. Do citizens have the right *in law* to access government information, including budget information?
- a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.
 - b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.
 - c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.
 - d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.
 - e. Not applicable/other (please comment).

Citation:

Refer to:

[www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No\[1\].9-2006.pdf](http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf) (Fiscal Responsibility Act 2006) and www.bankpng.gov.pg/bankfiles/finsuper/legislation/centralbankingact.pdf [and Central Banking Act 2000].

Comment:

The Fiscal Responsibility Act [and the Central Banking Act] imposes obligations on the Treasury [and the Central Bank] to provide public information in an accessible form on planned Budget Strategies and their outcome and mid-term reviews, [as well as Monetary policy papers from the Bank of PNG]. PNG does not have an access to information law. It does have media freedom legislation (as required under the Constitution), but the material about budgets, particularly affecting provincial and local level government, are generally unavailable at the local level.

C

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d." I have looked at the Fiscal Responsibility Act and it does provide a rationale for the budget strategy paper, "to assist public understanding of the fiscal situation." However, this is different to allow citizens in law to access government information. There is no FOI legislation in situ.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because, whilst there is not yet FoI legislation, the Fiscal Responsibility Act imposes requirements upon the Government to release Budget information in a timely manner; likewise the Auditor General is required to provide audits to be tabled in Parliament, whereupon it becomes a public document and the Constitution mandates various other freedoms, including with respect to the media. In the absence of the FoI (which might not enhance the provision of Budget detail, but would enhance the capacity to demand it) and the difficulty in practice in obtaining information, I have downgraded the answer from the original "b," to a "c." In

<p>practice the public (and officials) have great difficulty in obtaining Budget and expenditure details, particularly on the development and sub-national budgets and expenditure.</p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s original answer “b,” which the IBP modified for consistency purposes.</p>	
<p>64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it (for example, from a ministry or agency)?</p> <ol style="list-style-type: none"> a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence. b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures. c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures. d. In practice, no highly disaggregated expenditure information is available. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.nefc.gov.pg</p> <p><u>Comment:</u> If they are available in their respective ministries, agencies, provinces or districts, they are not widely available to the public, even if requested although significant information is now provided on District Grants and other local expenditure tracking from the Constitutionally Independent National and Economic Fiscal Commission (NEFC).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>

65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it from a ministry or agency?

- a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.
- b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
- c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated non-financial expenditure information is available.
- e. Not applicable/other (please comment).

Citation:
2009 Budget Volume 2, part 1

Comment:
They are generally unavailable, with the specific Executive's Budget volumes being the main source of some information, e.g. on employees.

d

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d." The reviewer notes that they are generally unavailable. However, in practice (being the key words) no highly disaggregated NF information (delete "expenditure") is available.

Researcher Response: I chose my answer because, apart from the information provided in the executive Budget document the public has little or no chance of obtaining further non-financial project specific details.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

Government Comment: Government did not dispute researcher's original answer "c," which the IBP modified for consistency purposes.

Section Three: The Budget Process

<p>The Budget Process</p>	
<p>Executive's Formulation of the Budget</p>	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ul style="list-style-type: none"> a. The release date is set in permanent law. b. The executive announces the release date at least two months in advance. c. The executive announces the release date less than two months but more than two weeks in advance. d. The executive announces the release date two weeks or less before the release, or makes no announcement. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.treasury.gov.pg/html/national_budget/national_budget_circulars.html (Refer to budget Circular 1 - 2009 Attachment - budget timetable).</p> <p><u>Comment:</u> At least a tentative date is planned well in advance, but not mandated in Statute, as per the above Budget Circular Attachment shown, and generally made available to the press, Departments and institutions, including accounting firms etc. However the tentative date is often altered, with considerations related to political factors, or practicalities, e.g. regular power breakdowns etc.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>b</p>

<p>67. Does the executive release to the public its timetable for preparation of 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 what ever central government agency is in charge of coordinating the budget’s formulation)?</p> <p>a. Yes, a detailed timetable is released to the public. b. Yes, a timetable is released, but some details are excluded. c. Yes, a timetable is released, but it lacks important details. d. No, a timetable is not issued to the public. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.gov.pg/html/national_budget/national_budget_circulars.html Refer to Budget Circulars.</p> <p><u>Comment:</u> Again, it doesn't always happen on schedule, as the Budget presentation date itself is sometimes changed, but the schedule is available to the Ministries, Provinces and the wider public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	a
<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <p>a. The executive adheres to the dates in its timetable. b. The executive adheres to most of the key dates in its timetable. c. The executive has difficulty adhering to most of the dates in its timetable. d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.treasury.gov.pg/html/national_budget-circulars/html Refer to budget circulars, Budget Timetable (Attachments).</p> <p><u>Comment:</u> There have been many occasions when the final presentation of the Budget has been deferred in the past, usually for political, but sometimes for simple technical or administrative reasons.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	b

<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> a. Yes, the executive holds extensive consultations with a wide range of legislators. b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded. c. Yes, the executive holds very limited consultations, involving only a few members of the legislature. d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Members of the legislature, namely the Plans and Estimates Committee, get one briefing on aspects of the Budget a day in advance of its tabling. Otherwise they are meant to be tabling of mid-year progress reports (e.g. the mid-year outcome), but this barely happens. The effort needs to be made both by the Executive and Legislature and the effort seems to be lacking on both parts. Some Members attend public events, such as the CIMC National Development Forum to gain prior briefings on the broad Budget parameters. Members of the Parliament may be able to extract some prior information from the Treasury Minister through questions on the Floor of Parliament.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>C</p>
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70. Does the executive hold consultations with the public as part of its process of determining budget priorities?

- a. Yes, the executive holds extensive consultations with a wide range of constituencies.
- b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.
- c. Yes, the executive holds very limited consultations, involving only a few constituencies.
- d. No, the executive does not typically consult with the public as part of the budget preparation process.
- e. Not applicable/other (please comment).

Citation:

Comment:

The executive seeks public submissions through the media and also website on the budget of the next year. The executive also capitalizes on other avenues like the annual CIMC Regional and National Development Forums (Government funded) and other consultative conferences (e.g. with the provinces) to seek views from the public on priorities and content of the Budget, including feedback on performance of the ongoing Budget. Consultation during 2009 is also proceeding aimed at developing a 40 year National Development Strategy aimed at guiding future Budget directions, although there is some discord between responsible government institutions.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> The executive releases a pre-budget statement at least four months in advance of the start of the budget year. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. The executive does not release a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u> http://www.treasury.gov.pg/html/legislation/acts.html Responsibility Act 2006 certified on 4 Sept 2006) http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf http://www.treasury.gov.pg/html/national_budget/files/2009/budget%200circulars/Circulars%2009.pdf 2009 Budget Circulars No.1-7(7of 28 July 2009) Budget Strategy Paper 2010 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Document/2010%20BSP.pdf</p> <p><u>Comment:</u> The statement must be released at least 3 months prior to the presentation of the Budget (normally in late November each year), with the start of the fiscal year in PNG being 1st January.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>a</p>
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<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget Strategy Paper 2010 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2010%20BSP.pdf Fiscal Responsibility Act 2006 http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf</p> <p><u>Comment:</u> The Act specifies the requirements for the pre-budget statement, or Budget Strategy Paper, including risks entailed etc. Extensive presentations were made on macroeconomic and fiscal policies and frameworks through the annual regional and national development forums conducted by the Consultative Implementation and Monitoring Council (CIMC) to the public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>a</p>
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<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget Strategy Paper 2010 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2010%20BSP.pdf Fiscal Responsibility Act 2006 http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf</p> <p><u>Comment:</u> Key issues in the Budget Strategy Paper are also included in the presentations provided by the Treasury Secretary (and Planning Ministry staff) at the Regional and National Development Forums hosted by Consultative Monitoring and Implementation Council (CIMC) and held annually approximately 3 months before the Budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>a</p>
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Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ul style="list-style-type: none"> a. The legislature receives the budget at least three months before the start of the budget year. b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. c. The legislature receives the budget less than six weeks before the start of the budget year. d. The legislature does not receive the budget before the start of the budget year. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The budget is annually presented to Parliament by the executive in mid-November, about 6 weeks before the end of the budgetary year (1st January). In some years it ends up being presented slightly later, around 20/21 November.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> The Budget is typically scheduled to be presented on the second Tuesday of November but has, in recent years, been presented on the third Tuesday in November.</p>	<p>C</p>

75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?

- a. Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies.
- b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.
- c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.
- d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.
- e. Not applicable/other (please comment).

Citation:

Comment:

The Plans and Estimates Committee has a single briefing a day before the Executive tables the Budget. There is no public hearing. The Budget is merely presented by the Minister and the Opposition is given two weeks to present official Budget statements on the proposed budget before, some possible debate and it is voted upon by the legislature and enacted. Once tabled (and during the press 'lock-up' immediately prior to the presentation) the public has an opportunity to comment (e.g. in the press and during radio talk back shows and some Budget breakfasts etc.) but no formal hearings are provided with the legislature. Comments from the press and public (including local research institutes and accounting firms) are provided after the tabling of the Executive's Budget Proposal and maybe inform Ministerial or opposition addresses and wider public opinion. The Budget is normally approved in its totality, without any amendment (and often with little chance of debate).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

<p>76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?</p> <ul style="list-style-type: none"> a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard. b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard. c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard. d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Legislative committees are not given the opportunity to hold hearings with the executive or comment on the proposed budget, in public or closed sessions, except during the brief Plans and Estimate Committee hearing immediately prior to the Tabling of the Budget. The Public Accounts Committee has the opportunity to oversee application of the Budget during the year, and hold public hearings with relevant branches of the executive, but as their work is based upon the output of the Auditor General it is largely addressing expenditure in earlier years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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<p>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <ul style="list-style-type: none"> a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. c. Yes, a limited number of hearings are held in which testimony from the public is heard. d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Public Accounts Committee only undertakes hearings on past expenditure and performance.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d
<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ul style="list-style-type: none"> a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings. b. Yes, the committees release reports, but some details are excluded. c. Yes, the committees release reports, but they are not very informative. d. No, the committees do not release reports or do not hold public hearings. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> There are very few operational legislative committees, the recently revived Public Accounts Committee (PAC) being one of them (The PAC's findings are made available publicly).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d

79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?

- a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.
- b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.
- c. Not applicable/other (please comment).

Citation:

Refer to 2009 Recurrent Budget Estimates of Revenue & Expenditure Vol2

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol1.html

209 Public Investment Program (2009-2012)

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol3.html

Comment:

There are no parts of the appropriation permitted to be kept confidential from the legislature, although attempts have been made in the past to (illegally) cover up certain defense transactions and other transactions, such as with some export/import guarantees, etc, and attempts to keep secrecy around expenditure details from a recent related Defence Inquiry.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

80. Does the legislature have authority *in law* to amend the budget presented by the executive?

- a. Yes, the legislature has unlimited authority *in law* to amend the budget.
- b. Yes, the legislature has authority *in law* to amend the budget, with some limitations.
- c. Yes, the legislature has authority *in law* to amend the budget, but its authority is very limited.
- d. No, the legislature does not have any authority *in law* to amend the budget.
- e. Not applicable/other (please comment).

Citation:

The National Parliament of Papua New Guinea Manual of Practice and Procedure and Parliamentary Standing Order (including SO XXI on Supply Bills, Appropriation and Taxation laws).

Comment:

Parliament is empowered to amend the annual Budget appropriation and taxation laws, but there are a few largely technical restrictions, for example whereby it is only permitted for a Minister to submit/amend legislation with the impact of increasing taxes. In practice the Budget is presented in its totality and accepted (or in theory rejected) on this basis. Where the Government has the numbers, the Budget is invariably pushed through without significant debate and without amendment. Prior modifications in theory may occur in the Plans and Estimates Committees prior to its presentation to the full Legislature (but in practice this is unrealistic as the Committee only meets a day or even a few hours before the Budget's presentation to the full Legislature). If the Opposition had the numbers to push through amendments on the floor, they would almost invariably use them to reject the Budget in its entirety and then seek to topple the Government in turn.

b

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ul style="list-style-type: none"> a. The approved budget includes program-level detail. b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). c. The approved budget includes only departmental totals. d. The approved budget includes less information than departmental totals or the approved budget is not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Appropriation (Recurrent Expenditure 2009) Bill 2008 Appropriation (National Development Expenditure 2009) Bill 2008 Appropriation (National Parliament 2009) Bill 2008 Appropriation (Judicial Services 2009) Bill 2008</p> <p><u>Comment:</u> The Appropriation Bills approved by the Legislature specify the approved estimates of expenditure for Departments and other government bodies, separately for the Recurrent and Development Budgets (including transfers to Trust Accounts), as well as separate allocations for the legislature and for the Judiciary. These have been approved by Parliament and the Bills are publicly available, although the Bills have not apparently been certified by the Parliamentary Clerk and Speaker as normally required to make them Acts, and then made public (at least not prior to the OBI deadline).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> The enacted budget is not publicly available.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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Executive's Implementation of the Budget

82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?

- a. In-year reports on actual expenditure are released at least every month.
- b. In-year reports on actual expenditure are released at least every quarter.
- c. In-year reports on actual expenditure are released at least semi-annually.
- d. In-year reports on actual expenditure are not released.
- e. Not applicable/other (please comment).

Citation:

Refer to Fiscal Responsibility Act 2006

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

Monthly Fiscal Outturn Reports listing of details expenditure by economic functional and administrative classifications as per the budget appropriation.

http://www.treasury.gov.pg/html/publications/files/for_files/2009/June.pdf

Comment:

In addition to the Budget itself, there is a legal reporting requirement under the Fiscal Responsibility Act 2006 to provide an end of year Fiscal Outturn Reports in the first quarter after the fiscal year ends and a mid-year report, six months after the commencement of the next fiscal year. These provide expenditure by administrative unit. The Treasury also provides a 'monthly' Fiscal Outturn Report, although in practice only 7-9 reports are produced annually; these provide aggregated expenditure details, broken up into recurrent and development expenditure, subdivided by National and Provincial Departments, Interest Payments and Fees and respective major components.

In practice during 2008, aggregated reports were provided at least monthly, although for 2009 it slipped below monthly, and some can be a bit sporadic in timing. There is also a Treasury Economic Monitor which is produced quarterly and includes a quarterly fiscal report, although there hasn't been an issue since the third quarter of 2008.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: Further communication with the researcher revealed that none of the in-year reports were released within the acceptable timeframe (see extended comment in Section 1, Table 2) so all questions in this section are rated "d."

Government Comment: Government did not dispute researcher's answer.

d

83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?

- a. Yes, in-year reports cover all expenditures.
- b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures.
- c. Yes, in-year reports cover less than two-thirds of expenditures.
- d. No in-year reports are released to the public.
- e. Not applicable/other (please comment).

Citation:

Refer to June ('monthly') Fiscal Outturn Report
http://www.treasury.gov.pg/html/publications/files/for_files/2009/June.pdf

Comment:

Only aggregate totals are presented in the "monthly" or sometimes bi-monthly Fiscal Outturn Reports, with expenditure comparisons made with the Budget and trend. It is broken up into Recurrent and Development Budget, National and Provincial Departments and major components, but not into full administrative, economic or functional components, or programs. It should provide all expenditure, but the details of the Trust Funds under the Supplementary Budgets have not yet been forthcoming in mid-year reports.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ul style="list-style-type: none"> a. The in-year reports on actual expenditures organized by administrative unit contain program-level detail. b. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs). c. The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. d. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals. e. Not applicable/other (please comment). <p><u>Citation:</u> Refer to Fiscal Outturn Report May 2009 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf</p> <p><u>Comment:</u> The "monthly" or "bi-monthly" reports only provide aggregated expenditure data. The TMS report produced monthly by Departments of Finance (but not widely circulated) lists expenditure by administrative units.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>d</p>
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85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

- a. Yes, comparisons are made for all expenditures.
- b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures.
- c. Yes, but comparisons are made for less than two-thirds of expenditures.
- d. No, comparisons are not made, or no in-year reports are released to the public.
- e. Not applicable/other (please comment).

Citation:

Refer to Fiscal Outturn Report May 2009

http://www.treasury.gov.pg/html/publications/files/for_files/2009/May.pdf

Treasury Economic Monitor Sept 2008

http://www.treasury.gov.pg/html/publications/files/tem_files/2008/September.pdf

(BPNG Quarterly Economic Bulletin March 2009 (QEB))

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

Comment:

The Fiscal Outturn Reports and Treasury Economic Monitor make comparisons for all (aggregated) expenditure with the original estimates of the budget year for that period. It should be noted that in many cases the information really only shows funds being released rather than actual expenditure by respective line agencies, etc. Significant changes may have been made on the basis of executive discretion, notably as a result of quarterly reviews. The Treasury Economic Monitor has been sporadic in publication, whilst the Central Bank quarterly reports have largely been more timely (and often used as de-facto macro-economic data, in view of weakness, particularly in the production of national accounts by the National Statistical Office).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: Further communication with the researcher revealed that none of the in-year reports were released within the acceptable timeframe (see extended comment in Section 1, Table 2) so all questions in this section are rated "d."

Government Comment: Government did not dispute researcher's answer.

d

86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?
- In-year reports on actual revenue collections by source of revenue are released at least every month.
 - In-year reports on actual revenue collections are released at least every quarter.
 - In-year reports on actual revenue collections are released at least semi-annually.
 - In-year reports on actual revenue collections by source of revenue are not released.
 - Not applicable/other (please comment).

Citation and/or comment:

Refer to monthly Fiscal Outturn Report (May 2009) and Treasury Economic Monitor (Sept 2008). The reports are issued monthly or bi-monthly (somewhat sporadically), but often with a long lag, and are supplemented by (the Central Bank's more timely Quarterly Economic Bulletin).

http://www.treasury.gov.pg/html/publications/files/for_files/2009/May.pdf

2009

http://www.treasury.gov.pg/html/publications/files/tem_files/2008/September.pdf.

(<http://www.bankpng.gov.pg/>)

d

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: Further communication with the researcher revealed that none of the in-year reports were released within the acceptable timeframe (see extended comment in Section 1, Table 2) so all questions in this section are rated "d."

Government Comment: This should be a "c." IRC provides monthly revenue collection Reports to Treasury and Treasury analysis and compiles this report with other revenues collected in the Mid Year Economic and Fiscal Outlook (MYEFO) report and the Final Budget Outcome (FBO) Report and other publications such as the Treasury Economic Monitor.

87. What share of revenue is covered by the in-year reports on actual revenue collections?

- a. In-year reports cover the actual revenue collections of all sources of revenue.
- b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.
- c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.
- d. In-year reports on actual revenue collections are not released to the public.
- e. Not applicable/other (please comment).

Citation:

Refer to monthly Fiscal Outturn Report (May 2009) and Treasury Economic Monitor Sept 2008

http://www.treasury.gov.pg/html/publications/files/for_files/2009/May.pdf

http://www.treasury.gov.pg/html/publications/files/tem_files/2008/September.pdf

(BPNG Quarterly Economic Bulletin (March 2009) QEB

<http://www.bankpng.gov.pg/>)

Comment:

Tax credits and grants (from donors), both considered a source of revenue, are not always recorded in the in-year reports.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: Further communication with the researcher revealed that none of the in-year reports were released within the acceptable timeframe (see extended comment in Section 1, Table 2) so all questions in this section are rated "d."

Government Comment: This should be a "b." Infrastructure Tax Credit expenditures are now reported in the Budget documents (Vol. 1 and others).

d

<p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ul style="list-style-type: none"> a. Yes, comparisons are made for all revenue sources. b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. c. Yes, but comparisons are made for less than two-thirds of revenue sources. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Mid Year Economic and Fiscal Outlook Report 2009</p> <p><u>Comment:</u> Yes, in aggregate.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> Further communication with the researcher revealed that none of the in-year reports were released within the acceptable timeframe (see extended comment in Section 1, Table 2) so all questions in this section are rated "d."</p> <p><u>Government Comment:</u> This should be a "b." Year to date revenue collections trends are compared the same period in previous year. Also, year to date revenue collections are measured as percentage collected against budgeted figures.</p>	d
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<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ul style="list-style-type: none"> a. Yes, in-year reports on actual borrowing are released at least every month. b. Yes, in-year reports on actual borrowing are released at least every quarter. c. Yes, in-year reports on actual borrowing are released at least semi-annually. d. No, in-year reports on actual borrowing are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Refer to the monthly Fiscal Outturn Report (May 2009) http://www.treasury.gov.pg/html/publications/files/for_files/2009/May.pdf Bank of PNG Quarterly Economic Bulletin (March 2009) http://www.bankpng.gov.pg/</p> <p><u>Comment:</u> Yes in the monthly-bi-monthly Fiscal Outturn Reports and in Central Bank QEB reports. There maybe a significant lag (e.g. 3 months before the quarterly reports are issued by the Central Bank) which manages Government securities for the Treasury. The lag of data provision from the Treasury is sometimes greater, with reporting sporadic, though perhaps improving. With the introduction of the Fiscal Responsibility Act, some 6 monthly reporting from Treasury has received more attention.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> Further communication with the researcher revealed that none of the in-year reports were released within the acceptable timeframe (see extended comment in Section 1, Table 2) so all questions in this section are rated "d."</p> <p><u>Government Comment:</u> This should be a "c" as borrowings are captured in the Debt Strategy and appear in Volume 1 of Budget Books annually.</p>	<p>d</p>
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<p>90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?</p> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Monthly Fiscal Economic Outturn Report (May 2009) http://www.treasury.gov.pn/html/publications/files/for_files/2009/May.pdf</p> <p><u>Comment:</u> The Treasury's in year reports do not present important details like interest rates on the debt, maturity profile and so on. [The Central Bank's QEB provides details of quarterly changes in debt and sources, but not specific interest rates applied, though they can to some extent be reduced, e.g. from their reported interest relates on Government bonds].</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> Further communication with the researcher revealed that none of the in-year reports were released within the acceptable timeframe (see extended comment in Section 1, Table 2) so all questions in this section are rated "d."</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>d</p>
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<p>91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?</p> <ul style="list-style-type: none"> a. Reports are released 1 month or less after the end of the period. b. Reports are released 2 months or less (but more than 1 month) after the end of the period. c. Reports are released more than 2 months after the end of the period. d. In-year reports are not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Sometimes it is within two months from the end of the quarter, but generally report in recent years have been three months or more; (the Central Bank's Quarterly Economic Bulletin also has a lag of about 3 months).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> Further communication with the researcher revealed that none of the in-year reports were released within the acceptable timeframe (see extended comment in Section 1, Table 2) so all questions in this section are rated "d."</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d
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<p>92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget. b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details. c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details. d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> 2009 Mid Year Economic and Fiscal Outlook Report, June 2009 http://www.treasury.gov.pg.html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2009%20MYFO%20Report.pdf</p> <p><u>Comment:</u> Materials provided both from the Treasury and the (independent) Central Bank cover monetary and fiscal policy and performance with some element of inevitable and appropriate overlap (but also variation) in their coverage.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>a</p>
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<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> 2009 Mid Year Economic and Fiscal Outlook Report, (June 2009) http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2009%20MYEFO%20Report.pdf</p> <p><u>Comment:</u> During recent volatile economic years, with global swings in commodity prices and the global economic crisis, PNG has heavily revised its annual budget. Until 2008 this also entailed multiple supplementary budgets, sometimes mid-year, in response to substantially altered economic conditions (notably increased commodity prices) entailing substantial increases in revenue and necessitating legislative approval for additional expenditure.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>a</p>
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<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none">a. The mid-year review includes program-level detail for expenditures.b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs).c. The mid-year review includes only departmental totals (or functional totals).d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget.e. Not applicable/other (please comment). <p><u>Citation:</u> 2009 Mid Year Economic and Fiscal Outlook Report, June 2009 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2009%20MYEFO%20Report.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>b</p>
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<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ol style="list-style-type: none"> Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget. Not applicable/other (please comment). <p><u>Citation:</u> 2009 Mid Year Economic and Fiscal Outlook Report, June 2009 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2009%20MYEFO%20Report.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	a
<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ol style="list-style-type: none"> Yes, the executive seeks approval from the legislature before shifting funds between administrative units. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below). Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not seek input from the legislature to shift funds between administrative units. New allocations may be made for defined special purposes (emergencies etc) using the mandated "Secretary's Advance," although in many cases these allocations do not comply with such criteria. Secretary's advance applies to amounts up to amounts up to 230 million kina, with Executive approval from Cabinet for</p>	d

larger shifts (notably following quarterly budget reviews) so long as the amounts remain within the total approved appropriation. The executive must secure approval from legislature (through Supplementary Budgets - as has occurred repeatedly during 2005 - 2008) where the amount exceeds the approved budget ceiling and extra allocations are needed, or made possible by surplus and major increases in revenue. Under the Fiscal Responsibility Act net new borrowing is restricted.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Agreed-Note previous comments on the use of trust accounts to circumvent expenditure rules and instances of unauthorized diversion of funds undermining budget integrity.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire I chose my answer because of the grounds specified in the comment and in view of the extensive use of Trust Funds over recent years, further circumventing sound process in practice (if not also in principle).

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

Government Comment: The *Appropriation (Recurrent Expenditure 2009) Act 2008*, and the *Appropriation (Development Expenditure 2009) Act 2008* provide for the Secretary for Treasury to approve movements between activities of up to ten per cent of each of the Recurrent (K575,507,430) and Development (K138,900,000) budgets, with some movements excluded from this total, e.g., movements from the "Treasury miscellaneous" vote to an implementing agency or trust. The Secretary's Advance has K20 million appropriated for unbudgeted expenditure. There is no defined purpose or criteria that these payments or movements must meet.

<p>97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?</p> <ul style="list-style-type: none"> a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year. b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities. c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities. d. No, the procurement process was not open and competitive in practice. e. Not applicable/other (please comment). <p><u>Citation:</u> Parliamentary Public Accounts Committee Report of 2006 and subsequent statements from PAC on the failure of Government entities to follow required a wide range of financial procedures. The Auditor-General's 2008 report (for Statutory authorities and SOEs) specifies "Property being acquired or disposed of without proper procedures being followed," whilst the major programmes, notably the District Service Improvement Programme (DSIP) and National Agricultural Development Programme (NADP) have been widely reported in forums and the press as often failing to follow due process for procurement (e.g. see references from the CIMC National and Regional Development Forum reports)</p> <p><u>Comment:</u> Although, procurement of goods and services is required to follow open and competitive processes, extensive irregularities exist at the National and particularly the certain project, notably district and local levels, where the rules fail extensively to be followed, including owing to lack of knowledge of public tendering processes, lack of lack of capacity and in some cases inclination, (as highlighted in the PAC report).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>C</p>
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<p>98. When does the legislature typically approve supplemental budgets?</p> <ul style="list-style-type: none"> a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify). b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify). c. Not applicable/other (please comment). <p><u>Citation:</u> 2007 and 2008 Supplementary Budgets http://www.treasury.gov.pg/html/national_budget/files/2008(budget_document/2008%20Supplementary%20Budget%Speech.pdf</p> <p><u>Comment:</u> Supplementary Budgets are proposed by the Executive after the Executive identifies substantial variations (shortfalls requiring extra revenue or, as in 2005, 2007 and 2008, surpluses requiring additional appropriation) in revenue (or expenditure) from the budget amount, and revised budget ceilings or other variations are required.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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99. In most years, how large are supplemental budget requests relative to the size of the original budget?

- a. Supplemental budgets are generally equal to 2 percent or less of the original budget.
- b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.
- c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.
- d. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets.
- e. Not applicable/other (please comment).

Citation:

Refer to 2008 Supplementary Budget Speech (23 September 2008)
http://www.treasury.gov.pg/html/national_budget/files/2008/budget_documents/2008%20Supplementary%20Budget%Speech.pdf

Comment:

Supplementary Budgets (to cater for higher than forecast revenue) occurred between 2005 and 2008, with exceptionally high commodity export prices and high minerals revenue. From 2005 to 2008 the supplementary budgets have appropriated the equivalent of about 16% of total Expenditure and net lending, and markedly higher in 2007 and 2008. Hitherto Supplementary budgets have been associated with balance of payments and fiscal crises and the need for additional revenue raising measures, and /or with changes of Government and associated policies. Using a formula, the exceptional or “windfall” revenue in the Supplementary Budgets (and in the annual Budgets, notably in the boom years of 2007/8) has been transferred into sectoral and other Trust Accounts, able to be expended over a longer period than the normal annual Budget period.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher’s answer.

C

<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ul style="list-style-type: none"> a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget. b. Expenditures are approved after the funds are expended, but before the end of the fiscal year. c. Expenditures are approved after the end of the fiscal year, for example in the next budget. d. Such expenditure takes place without legislative approval. e. Not applicable/other (please comment). <p><u>Citation:</u> Refer to 2009 Recurrent Budget Estimates of Revenues & Expenditure on Trust Accounts - Volume 2 Pt.2 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_html/Vol2_Pt2.html</p> <p><u>Comment:</u> The only contingency fund in the Budget is the Secretary's' Advance, which is approved by the Cabinet and not by the Legislature. Certain other funds are earmarked for particularly types of emergency situations, which are generally managed through Trust funds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> The K20 million Secretary's Advance is appropriated in the National Budget and use of the advance is reported on in detail in the Mid Year Economic and Fiscal Outlook and Final Budget Outcome.</p>	<p>b</p>
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Executive's Year-end Report and the Supreme Audit Institution	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> a. The report is released six months or less after the end of the fiscal year. b. The report is released 12 months or less (but more than six months) after the end of the fiscal year. c. The report is released more than 12 months after the end of the fiscal year. d. The executive does not release a year-end report. e. Not applicable/other (please comment). <p><u>Citation:</u> Refer to 2008 Final Budget Outcome Report released on 31 March 2009 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%Report.pdf</p> <p><u>Comment:</u> The release and its timing are determined in law under the Fiscal Responsibilities Act 2006.</p> <p>Once again, despite slippage in some areas, progress has been made by the staff of the Treasury and a few other Public bodies, to provide timely and reliable information to the Executive, Legislature and the wider public. The problems largely lie with the imprecise planning and documentation, monitoring and efficiency of public expenditure, including and especially of funds held outside normal processes, notably in Trust Accounts.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	a

102. In the year-end report have the data on the actual outcomes been audited?

- a. Yes, all data on actual outcomes have been audited.
- b. At least two-thirds, but not all, of the data on actual outcomes have been audited.
- c. Less than two-thirds of the data on actual outcomes have been audited.
- d. None of the data on actual outcomes has been audited, or a year-end report is not released.
- e. Not applicable/other (please comment).

Citation:

Refer to 2008 Final Budget Outcome released on 31 March 2009: - http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf
Report of the Auditor General (covering only certain public bodies for 2007): <http://www.ago.gov.pg/reports.html>

Comment:

The Final Budget Outcome report is required to be completed by the end of the first quarter of the following year, as a prompt working instrument. It is compiled before the audit process takes place and as such any adjustments made are not effected in this report. There has been a major ongoing lag in the production of annual audit reports, although the Auditor-General's office has been shortening the lag and reducing the number of tardy Departments/Agencies. The last full annual government Audit available is for 2006, although some of the Statutory Authorities are complete to 2007.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

Refer to 2008 Final Budget Outcome

http://www.treasury.gov.pg/html/national_budget/files/2009_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf

Report of the Auditor General 2007

<http://www.ago.gov.pg/reports.html>

Comment:

Details and some explanation are provided for the variance under the recurrent and development expenditure and movements and expenditure under trust funds. In details, the variance from overall Budget estimates and actuals includes the shifts made between agencies, largely on the basis of the executive "Secretary's advance and movements of funds.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?

- a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.
- b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).
- c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).
- d. No explanation of the differences is provided, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

2008 Final Budget Outcome released on 31 March 2009

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budgt%20Documents/2008%20FBO%20Report.pdf

C

Comment:

It is largely provided at the Departmental, provincial or institutional level, (and could be considered for 'b') although no explanation for variance is provide, merely the raw numbers. Some of the variations specified are at the programme and functional levels, including on Trust Funds, although there is limited explanation. It does detail extensive transfers or movement of funds which were approved by the executive at their discretion using the "Secretary's Advance" within permitted ceilings which occurs following quarterly operational expenditure reviews.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

Refer to 2008 Final Budget Outcome released on 31 March 2008
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf

Comment:

Variations between budgeted and actuals are provided on tax and non-tax revenues, (including with respect to the forecasted deficit for 2008 and its financing)

Researcher Response to this Question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." The key word here is 'extensive' which I do not believe is the case in the 2008 FBO report. Whilst the FBO is a good budget report, the absence of 'extensive' details for variances leads me to consider that a 'b' is a more appropriate response.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because I consider it fairly extensive in terms of both quantitative and narrative description and explanation of the variation. I agree with Peer Reviewer Two that there is room for improvement, including even greater detail, but as an exercise which is provided in a timely manner at the end of the 1st Quarter of BY+1 it seems reasonable thorough, and I fear more detail might entail payoff in timeliness.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

Government Comment: Government did not dispute researcher's answer.

a

106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

Refer to 2008 Final Budget Outcome released in March 2009
http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budgt%20Documents/2008%20FBORReport.pdf

Comment:

Some explanation is provided but it is brief, providing limited detail (and limited justification for the unforeseen deficit following the 3rd quarter Supplementary Budget). The report largely comprises tables, providing reasonable detail, but without explanation.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Refer to 2008 Final Outcome released on March 2009 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf</p> <p><u>Comment:</u> A reasonable but perhaps not totally adequate explanation is provided (notably for the 3rd quarter Budget blowout in 2008). The information is unaudited.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	b
<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Refer 2008 Finance Budget Outcome released March 2009 http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf</p> <p><u>Comment:</u> Performance indicators are not included in the final budget outcome report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d

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109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country's most impoverished populations and the actual outcome?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

Refer 2008 Final Budget Outcome released on 31 March 2009

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf

National Economic Fiscal Commission reports
<http://www.nefc.gov.pg/news.html>

Comment:

There is no attempt to assess performance merely allocations. (Totally inadequate funding is provided for remoter areas to be able to provide basic essential services or infrastructure. This is highlighted in the reports from the independent but Constitutionally established National Economic and Fiscal Commission on Provincial Services; however some positive reforms have been made through an amendment to the legislation governing allocations to provincial finances, and reflected in the 2009 Budget process).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

110. Does the year-end report present the actual outcome for extra-budgetary funds?

- a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key issues, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information is not presented on extra-budgetary funds, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

http://www.treasury.gov.pg/html/national_budget/files/2009/budget_documents/Related%20Budget%20Documents/2008%20FBO%20Report.pdf

Comment:

Detailed information is provided on expenditure for some Trust Accounts (but not for the major District Services Improvement Project - DSIP which comprises programme of 890 million kina available to Districts and MPs for the period commencing 2008, for which the report states: "NO REPORTING PROVIDED TO SUPPORT EXPENDITURE INCURRED FOR THE PERIOD"), and transfers into and balances in Trust accounts Budgeted through the supplementary budgetary process. Funds transferred into certain corporate entities which are managing state equity in major resource projects (and not subject to the SAI) are not readily tracked.

C

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." Based on the researcher's comments, and confirming that against the criteria, I would have thought that "c" was more appropriate given that "important details are lacking."

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire. I chose my answer because inadequate information is provided only for some trust funds and major programs, particularly with respect to funding subnational activities at the District level (the DSIP).

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

Government Comment: Government did not dispute researcher's original answer "b," which the IBP modified for consistency purposes.

<p>The Independence and Performance of the Supreme Audit Institution</p>	
<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ul style="list-style-type: none"> a. Final audited accounts are released to the public six months or less after the end of the fiscal year. b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Office of the Auditor General http://www.ago.gov.pg/reports.html 2007 Auditor Generals Report http://www.ago.gov.pg/docs/reports/Report_of_Auditor-General_-_2007_Part1.pdf http://www.ago.gov.pg/docs/reporst/Report_of_Auditor-General_-_2Part_2007_Part_2.pdf http://www.ago.gov.pg/docs/report/Report_of_Auditor-General_-_2007_Part_3.pdf http://www.ago.gov.pg/docs/reprot/Report_of_Auditor-General_-_2007_Part_4.pdf</p> <p><u>Comment:</u> The SAI's Annual audit report is completed about 18 months after year end, but the SAI is unable to provide audits for many Departments and Agencies long beyond this, largely because the financial statements have not been submitted. The public release is further held up by delays in tabling the reports in the legislature. The latest audit of Departments for 2006 & 2007 shows: Audit mandate 2007 2006 2005 2004 National Departments 33 18 27 33 33 Other audits 25 3 3 3 3 Public Accounts 1 1 1 1 1 The SAI specifies "the reduction in the number of audits carried out in 2006 and 2007 compared with 2004 and 2005 was a strategy designed to address the issue of an inadequate number of audit staff, and was based on a risk management approach to focus on higher risk departments and agencies, and for the audit of controls and governance to become an essential part of all audits." The latest report for public bodies, statutory authorities on their website is 2007, but for most of Government, including the Departments, the 2007 report remained unavailable by 15 September 2009. Status of Audits of public bodies for 2007 (as provided by the SAI) is: Number of Entities: (1) Audits completed and reports issued thereon (Schedule A) 10 (2) Audits substantially completed (Schedule A) 2 (3) Audits in progress (Schedule A) 13 (4) Audits to commence shortly (Schedule A) 7</p>	<p>d</p>

- (5) Financial Statements not submitted (Schedule A) 67
- (6) Ceased Companies (Schedule A) 6
- (7) Others - National Government shareholdings in other Companies (Schedule D) 8

Total: 113

The status of audits of public bodies in arrears (as detailed by the SAI) is:

Status of Audits in Arrears (2007 and Prior Years) Number of Audits

(1) Audits substantially completed (Schedule B) 34

(2) Audits in Progress (Schedule B) 24

(3) Audits to commence shortly (Shortly B) 16

(4) Financial Statements not submitted (Schedule B) 55

Total:129

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: As per the OBI methodology, and in agreement with the researcher, IBP editors chose to maintain answer "d."

Government Comment: The answer should be a "c," as advised there is a 12-18 month period before audited expenditures of departments are released to the public.

112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?

- a. All expenditures have been audited and the reports released to the public.
- b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.
- c. Expenditure representing less than two-thirds of expenditure have been audited.
- d. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year.
- e. Not applicable/other (please comment).

Citation:

2007 Auditor General Report
<http://www.ago.gov.pg/reports.html>

Comment:

Most remain unaudited with delays in tabling the reports in Parliament. Apart from inadequate funding of the SAI, the major failure lies with the respective public bodies which have failed to comply with the legal required to submit accounts for audit in a timely manner. As stated by the Auditor-General "out of 99 public entities (excluding those audits that are done by private auditors) only 32 entities submitted their financial statements for the fiscal year 2007 for my audit and inspection up to the time of preparing this Report while 67 entities have failed to comply with this provision"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: As per OBI methodology, and in agreement with the researcher, IBP editors chose answer "d."

Government Comment: Government did not dispute researcher's answer.

d

113. Does the annual audit report(s) that is released to the public include an executive summary?

- a. The annual audit report(s) includes one or more executive summaries summarizing the report's content.
- b. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year.
- c. Not applicable/other (please comment).

Citation:

2007 Auditor General's Report - Part 1V - Part Four Section 1 (1.5) Executive Summary.

http://www.ago.gov.pg/docs/reports/Report_of_Auditor-General_-_2007_Part_1.pdf

Comment:

The report does provide a summary of findings; however most of the SAI's report is not released within the 24months period, and the components which are released (namely on Statutory Authorities and State-owned enterprises) only provides audits for about 1/3 of the respective organisations, largely because the rest have failed to submit financial statements.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

- a. 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 they are removed.
- b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.
- c. Not applicable/other (please comment).

Citation:

Comment:

Since the Auditor General (the SAI) is an independent Constitutional Office holder, he/she cannot be dismissed from office during his/her term of office, except for when in compliance with the Organic law, which falls outside the purview of the executive Government, even if the Executive may be responsible for instigating proceedings.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

a

115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?

- a. Yes, the SAI releases to the public audits of all extra-budgetary funds.
- b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.
- c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.
- d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year.
- e. Not applicable/other (please comment).

Citation:

2007 Auditor General's Report
<http://www.ago.gov.pg/reports.html>

Comment:

By law, the Auditor General's office is required to audit all expenditures of government (including sub-national government) as per the annual budget of the fiscal year and as such any extra-budgetary funds are audited and released to the public as part of the report. However, the delay in completing the full audit of accounts (including extra-budgetary funds) demonstrates the distinction between legislative powers and duties and the practical reality, with the SAI constrained by inadequate resources and respective government agencies slow and uncooperative in the release of accounts, as highlighted in successive reports from the SAI and the Parliamentary Public Accounts Committee (PAC)s

The major growth of extra-budgetary funds (notably in Trust Accounts set up under successive Supplementary Budgets from 2006-2008) have not yet been audited in practice and, particularly the District Funds, will prove challenging, in terms of resources available to the SAI and likely limited records.

A few publicly-owned commercial or semi-commercial institutions and authorities (including Petromin Ltd, the National Development Bank and the Mineral Resources Authority) have been deemed in law not to be public bodies and themselves specify that they fall outside the oversight of the Public Finances (Management) Act 1995, and hence outside the purview of the SAI; however, this is legally contestable as the Constitutional powers granted the SAI are broad-ranging.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: This should be a "c" as funds are still picked up as they are reflected in Public Accounts. If this isn't the case, it is still raised as anything within the domain of public accounts is raised with the Department of Finance.

d

116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have *the discretion in law* to undertake those audits it may wish to?

- a. The SAI has full discretion to decide which audits it wishes to undertake.
- b. The SAI has significant discretion, but faces some limitations.
- c. The SAI has some discretion, but faces considerable limitations.
- d. The SAI has no discretion to decide which audits it wishes to undertake.
- e. Not applicable/other (please comment).

Citation:

Section 214(2) of the Constitution of the Independent State of Papua New Guinea, and the Audit Act 1989 and provisions of the Companies Act, 1997.

Though these companies are registered under the Companies Act, the SAI's responsibility to audit them is by virtue of Sections 48 and 63 of the Public Finances (Management) Act and Section 3 of the Audit Act.

Comment:

The Auditor General is an independent institution and is Constitutionally and legally empowered, and has the legal discretion to undertake special audits if it so wishes, or perceives a potential issue needing to be examined.

Apart from the normal annual auditing powers (over Departments, Statutory Authorities and State-owned companies using public moneys), the Auditor-General is vested with various other powers including full and free access to all accounts and records that relate directly or indirectly to:

- The collection, receipt, expenditure or issue of public moneys;
- The receipt, custody, disposal, issue or use of stores or other property of the government

The Public Finances (Management) Act of 1995 also gives the Auditor General powers to examine the above accounts with the object of ensuring that:

- All accounts have been properly maintained
- All applicable laws have been observed as far as collections and custody of public moneys including assessment and collection of revenues; and
- Expenditure of public money has been authorized as provided by law and has been spent to accomplish the purpose for which they were appropriated.

However, some recent amendments (which may not comply with the Constitution) have restrained the SAI from examining the books of a few entities with respect to compliance with the Public Finances (Management) Act and the Salaries and Conditions, as the SAI highlights "the impact some legislative changes have had on my Constitutional responsibility. These legislative changes, although well intentioned, have resulted in the exclusion of my Office as the external State Auditor, from the audit of these organizations. Consequently, my Office is not in a position to present a report on these organizations to the Parliament,

b

<p>hence, the exclusion of these entities from my audit Port-folios.”</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	
<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ol style="list-style-type: none"> a. The budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. c. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. d. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The budget is determined by the legislature but as part of the total Budget presented by the Executive; so in effect it is determined by the executive. The SAI is under - resourced (underfunded and staffed) to be able to fulfill its mandate effectively, including expanded tasks of overseeing expenditure at the Provincial, District and Local level. It finds it hard to recruit and retain enough competent auditors, attracted to private sector positions. Therefore, it has not effectively executed its annual audits for the many years, whilst funding to - and by - implementing agencies has also been inadequate for the preparation of accounts for audit.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>

118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?

- a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate.
- b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate.
- c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate.
- d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector.
- e. Not applicable/other (please comment).

Citation:

Comment:

The Auditor General's office has approximately 50 staff on strength, which is inadequate to carry out required audits extending to the provinces and local levels. No specific staff are employed to audit central agencies or security institutions, which may be handled by any of the AG's staff. There is high staff turnover leaving for high salary remunerations (and sometimes accommodation provided) offered by the private sector. The AG's office also commissions private auditing firms to carry out some of its task.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Auditor General has 100 staff on strength, not 50.

C

119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?

- a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year.
- b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year.
- c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit.
- d. No, the SAI does not maintain any formal mechanisms of communication with the public.
- e. Not applicable.

Citation:

Comment:

The Auditor-General has made an effort to better inform the public on its function. The auditing function is not well understood by the PNG public, although the Consultative Implementation Monitoring Council (CIMC) Forum process (2006-2008) has helped increase the level of awareness, but requires a much wider exercise in awareness building on budgets and budget responsibility. It has established its own website, which provides some background information, including access to a portion of the 2007 audits (notably of some statutory bodies)

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

120. Does a committee of the legislature view and scrutinize the audit reports?

- a. Yes, all audit reports are scrutinized.
- b. Yes, most audit reports are scrutinized.
- c. Yes, some audit reports are scrutinized.
- d. No, audit reports are not scrutinized.
- e. Not applicable/other (please comment).

Citation:

Refer 2007 Auditor General Report
<http://www.ago.gov.ph/reports.html>

Comment:

The SAI is an independent Constitutional Office, but it is obliged to submit its report for tabling in the Legislature, all audit reports are tabled in Parliament for discussion and endorsement before they can be accessed by the public. The Parliamentary Public Accounts Committee (Legislative Committee), which was resurrected in 2002 scrutinizes and utilizes the reports for following up public hearings. The PAC is also severely under-resourced and has been less effective latterly than when first resurrected.

C

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: This should be an "a," as once it is scrutinized it goes to the Public Accounts Committee which decides which department is to be called for public hearings. The Auditor General has no control of the Public Accounts Committee.

121. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

- a. Yes, the executive reports publicly on what steps it has taken to address audit findings.
- b. Yes, the executive reports publicly on most audit findings.
- c. Yes, the executive reports publicly on some audit findings.
- d. No, the executive does not report on steps it has taken to address audit findings.
- e. Not applicable/other (please comment).

Citation:

2007 Auditor General's Report
<http://www.ago.gov/reports.html>

Comment:

Implementation of the recommendations is a concern; however, the Public Accounts Committee hearings, public forums (as with the CIMC) and media publicity and some increased funding have raised the profile and added pressure on the Executive. The Public Accounts Committee does publicize its analysis and findings on the audit reports actively. It has also cooperated with a few other agencies in a few cases which have led to extensive prosecutions.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

d

122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

- a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.
- b. Yes, a report is released, covering key audit recommendations, but some details are excluded.
- c. Yes, a report is released, but it lacks important details.
- d. No, a report is not produced or it is prepared for internal purposes only (please specify).
- e. Not applicable/other (please comment).

Citation:

2007 Auditor General's Report
<http://www.ago.gov.pg/reports.html>

Comment:

Tabling of the audit reports are publicized through the media, and the PAC (legislature) provides a report specifying problems and any action taken, if any, but there is generally little subsequent follow up. The SAI has powers to prosecute directly if there is no action, but this power seems not to have been used. Some cases may also be taken up by another Constitutional Office Holder, such as the Ombudsman Commission, under its administration of the Leadership Code.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

C

123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?

- a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs.
- b. Yes, legislators are provided audit reports on secret items, but some details are excluded.
- c. Yes, legislators are provided audit reports on secret items, but they lack important details.
- d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).
- e. Not applicable/other (please comment).

Citation:

2007 Auditor General Report
<http://www.ago.gov.pg/reports.html>

Comment:

Audits are carried out on all expenditures of government including the security sector (over the years, they have often been the least accountable) and are made available to the public as part of the annual audit report. They have now a website where details can be accessed once reports have been tabled in Parliament.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

Additional Comments:

Please use this section to add any additional comments.

Once again, despite slippage in some areas, progress has been made by the staff of Treasury and a few other Public bodies, to provide timely and reliable information to the Executive, Legislature and wider public. The problems largely lie with the imprecise planning and documentation, monitoring and efficiency of public expenditure, including and especially of funds held outside normal processes, notably in Trust Accounts.

Government Comments: Section One

Table 3. Distribution of Documents Related to the Executive's Budget Proposal

DISTRIBUTION OF BUDGET DOCUMENTS						
<i>For the following reports, place "Yes" in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	Executive's Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes						Yes
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request						
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes	
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark "Yes" if yes, "No" if no, or "NA" if Not Available.</i>						
	Pre-budget	Executive's Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	No	Yes	Yes	No	Yes	NA
2. Advance notification of release is sent to users, media	Yes	Yes	No GC: Yes, as per main document	Yes	Yes	NA
3. Released to public same day as official release to media	Yes	Yes	Yes	Yes	Yes	NA
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes	NA
5. Free print copies available, limited distribution	No	Yes	Yes	Yes	Yes	NA
6. Free print copies available, mass distribution	No	No	No	No	No	NA
7. Readily available outside capital and/or big cities ⁺	Yes	Yes	Yes	Yes	Yes	NA
8. Written in more than one language	No	No	No	No	No	NA
9. News conference is held to discuss release	Yes	Yes	Yes	Yes	Yes	NA

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

+Mark "Yes" if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

GC: Government Comment