OBI
Training materials for governments

YEAR-END REPORT

Examples of countries that scored A in selected questions of OBI (samples, not complete sections).

Expenditure differences between enacted estimates and actual outcomes

Q79 (103). Does the Year-End Report explain the differences 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 a Year-End Report is not released.
e. Not applicable/other (please comment).

Guidelines for Questions 77-86:

Questions 77-86 cover the executive's Year-End Reports, which are key accountability documents. In many countries, the executive issues one Year-End Report that consolidates information on the expenditures of administrative units, revenue collections, and debt. In other countries, individual administrative units issue their own Year-End Reports. Similarly, Year- End Reports may be stand-alone documents or may be included in larger documents, such as the Executive's Budget Proposal. The form of the report is less important than its content.

The OECD recommends that a Year-End Report be released to the public within six months of the end of the fiscal year. The reports should cover all of the major items included in the budget, explaining differences between the original estimates (as amended by the legislature during the year) and actual outcomes for expenditure, revenue, debt, macroeconomic assumptions. These reports also should include nonfinancial performance information.

Level of explanation of the differences between the enacted levels and the actual outcome for expenditure

Q80 (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 a Year-End Report is not released.
e. Not applicable/other (please comment).

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SOUTH AFRICA

Citation:

http://www.treasury.gov.za/documents/national%20budget/2009/review/chap7.pdf

Proposed revisions to expenditure plans

The MTEF operates as a three-year budget framework, revised annually. This chapter discusses additional allocations to departments by category of spending. Over the next three years, spending plans have been increased by R161 billion relative to the 2008 Budget. Revisions to the 2009/10 spending estimates are summarised in Table 7.2. Key expenditure increases include:

Over the next three years R161 billion is added to the spending framework

- R24.8 billion to provinces to expand no-fee schools, reduce infant and child mortality and improve welfare services, among others
- R2.9 billion for local government to provide free basic services
- R6.4 billion for public transport, roads and rail infrastructure
- R4.1 billion to extend the expanded public works programme
- R7.9 billion for housing and municipal infrastructure

Table 7.2 2009 Budget priorities – additional MTEF allocations, 2009/10 – 2011/12

R million	2009/10	2010/11	2011/12	Total
Provincial equitable share	5 585	7 364	11 849	**24 798**
Includes school education, health care and welfare services				
Local government equitable share	491	614	1 829	**2 934**
Education, health and welfare				
Higher education, National Student Financial Aid Scheme and recapitalisation of technical high schools	548	764	1 597	**2 909**
School nutrition programme	583	1 322	2 097	**4 002**
Hospitals and tertiary services	204	360	397	**961**
Comprehensive HIV and Aids	200	325	407	**932**
Social grants and SASSA	2 510	4 231	6 433	**13 174**
Housing and built environment				
Housing grants	711	804	2 146	**3 662**
Municipal infrastructure and related services	755	851	2 690	**4 295**
Infrastructure grant to provinces	453	1 234	2 456	**4 143**
Cultural institutions (Freedom Park)	200	134	–	**334**
Economic infrastructure and investment				
Public transport, roads and rail infrastructure	1 377	1 796	3 221	**6 394**
Communications infrastructure including ICT for 2010 FIFA World Cup	570	601	415	**1 586**
2010 FIFA World Cup stadiums	281	217	–	**497**
Eskom loan	30 000	20 000	–	**50 000**
Gautrain loan	4 200	–	–	**4 200**
Public Enterprises (South African Airways)	1 560	–	–	**1 560**
Industrial development and productive capacity of the economy				
Industrial development and regulatory capacity	364	647	623	**1 634**
Land and agrarian reform	197	305	1 277	**1 779**
Justice, crime prevention and policing				
Policing personnel, facilities and 2009 elections	300	900	2 600	**3 800**
Justice and occupation-specific dispensation for legally qualified personnel	150	225	300	**675**
Correctional Services personnel	300	300	300	**900**
International relations and defence				
Defence account and Waterkloof Air Base renovations	541	150	250	**941**
Foreign Affairs capacity and African Renaissance Fund	225	65	230	**520**
Public administration capacity				
Home Affairs and entities	235	316	677	**1 227**
Border control	100	300	500	**900**
Expanded public works programmes - Public Works	81	360	309	**749**
Other adjustments	7 743	3 613	9 758	**21 114**
Total policy adjustments	**60 463**	**47 797**	**52 361**	**160 621**

- R9.1 billion for school infrastructure, hospitals and related provincial infrastructure
- R1 billion to manage electricity consumption
- R13.2 billion for the increased uptake of social grants
- R4 billion to expand the national school nutrition programme
- R1.6 billion for industrial development and consumer protection
- R1.8 billion for rural development and agrarian reform
- R5.4 billion to establish an integrated criminal justice sector, including funding for specialised personnel and systems
- R1.1 billion for passport printing machines and improving Home Affairs services.

Differences between the original macroeconomic forecast and the actual outcome

Q82 (106). Does the Year-End Report explain the differences 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 a Year-End Report is not released.
e. Not applicable/other (please comment).

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PERU

The report includes a narrative and figures regarding the macroeconomic framework.

I. ANÁLISIS MACROECONÓMICO GLOBAL Y SECTORIAL

1.1. ACTIVIDAD ECONÓMICA

Sector Real

En el 2010 el PBI recobró rápidamente sus tasas de crecimiento pre crisis y se expandió 8,8%. A nivel sectorial, el crecimiento estuvo impulsado por la expansión de los sectores no primarios ligados a la demanda interna. La construcción y la manufactura no primaria crecieron 17,4% y 16,8%, respectivamente, las tasas más altas en 16 años. Asimismo, el comercio creció 9,7% y los otros servicios lo hicieron en 7,4%. Respecto a las actividades primarias, el agro creció 1,1% mientras que la minería y la pesca cayeron 2,6% y 16,4% respectivamente.

Evolución del PBI 2010

(Variación porcentual anual real)

	2009	2010
PBI total	**0,9**	**8,8**
DI-Otros Impuestos a los productos	-1,1	10,8
Total de Industrias (VAB)	**1,3**	**8,6**
Agropecuario	2,3	4,3
Pesca	-7,9	-16,4
Minería e Hidrocarburos	0,6	-0,1
Manufactura	-7,2	13,6
Electricidad y Agua	1,2	7,7
Construcción	6,1	17,4
Comercio	-0,4	9,7
Otros Servicios	4,2	7,4

Fuente: BCRP, INEI

Demanda y Oferta global

Por otro lado, la demanda interna recuperó sus tasas de crecimiento pre crisis y se incrementó 12,8% en el 2010, la tasa más alta en 16 años. La expansión de la inversión privada (22,1%) respondió, principalmente, a las buenas condiciones de financiamiento y al optimismo empresarial, que retornó a sus niveles máximos históricos. Por su parte, el consumo privado creció 6% en el 2010 y retomó su rol como impulsor del crecimiento. Cabe resaltar que, el consumo privado no se contrajo durante la crisis sino que solo moderó su ritmo de crecimiento gracias a que el empleo y el crédito continuaron creciendo. Finalmente, las exportaciones e importaciones crecieron 2,5% y 23,8%, respectivamente.

Demanda y Oferta Global 2010
(Variación porcentual anual real)

	2009	2010
I. Demanda interna	-2,8	12,8
a. Consumo privado	2,4	6,0
b. Consumo público	16,5	10,6
c. Inversión bruta interna	-20,6	34,8
Inversión bruta fija	-8,6	23,0
i. Privada	-15,1	22,1
ii. Pública	25,5	26,5
II. Exportaciones 1/	-3,2	2,5
Menos:		
III. Importaciones 1/	-18,6	23,8
IV. PBI	**0,9**	**8,8**

1/ Comprende bienes y servicios no financieros.

Fuente. BCRP

Sector Externo

Respecto al sector externo, al cierre del 2010 las exportaciones alcanzaron un nivel récord de US$ 35 565 millones, un aumento de 31,9% con relación al 2009. Las exportaciones tradicionales crecieron 34,2% mientras que las no tradicionales registraron tasas de crecimiento de 23,5%. Por otro lado, las importaciones totalizaron US$ 28 815 millones, registrando un récord histórico en el 2010 y aumentando 37,1% respecto al 2009, incremento asociado a la expansión de la demanda interna y la mayor ejecución de proyectos de inversión. Las importaciones del 2010 se sustentaron principalmente en el incremento de la demanda de insumos (39,2%) y bienes de capital (32,5%) destinados a la industria, así como en el aumento de las importaciones de bienes de consumo (38,5%). De este modo la balanza comercial registró un superávit de US$ 6 750 millones.

Differences on performance indicators

Q84 (108). Does the year-end report explain the difference between the original performance indicators 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.
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United Kingdom

Departments present annual reports that discuss non-financial data.
E.g.: http://www.dfid.gov.uk/About-DFID/Finance-and-performance/Annual-report/Annual-Report-2009/

Indicator	**4. Under five mortality ratio**
Progress	**Improvement**
2010/2011 target: 4 countries judged to be on-track at baseline maintained and progress accelerated in at least 8 of the remaining countries.	There are limited new data since the last Autumn Performance Report, therefore, the current position is compared with baseline. The four countries that were on-track at baseline to meet the MDG target remain on track. In addition a further three countries are now on track to meet this target: Ghana, Rwanda and Zambia. Ghana has made substantial progress, moving from being severely off-track to on-track – 111 (deaths) per 1,000 (live births) in 2003 to 80 per 1,000 in 2008. Under five mortality in Rwanda is 103 per 1,000 (2008) and in Zambia 119 per 1,000 (2007). In addition, there is evidence of accelerated progress in four other countries, with Pakistan, Nigeria, Uganda and Zimbabwe all improving from being seriously off-track to off-track. Although the under-five mortality ratio in Mozambique has continued to decline, a change in the methodology underpinning this ratio has impacted on Mozambique more than other countries, meaning that Mozambique is now judged to be seriously off-track on this MDG.

Indicator	**5. Maternal mortality ratio (MMR) per 100,000 live births**
Progress	**Little or no improvement**
2010/2011 target: The country judged to be on-track at baseline maintained and progress accelerated in at least 10 of the remaining countries.	There are limited new data since the last Autumn Performance Report, therefore, the current position is compared with baseline. Two countries are now on-track to meet this MDG by 2015. This includes Vietnam, which was on-track at baseline, and Pakistan. The MMR in Pakistan is 276 per 100,000 (2006) compared with 320 per 100,000 in 2005. Progress has accelerated in four countries – Ethiopia, Ghana, Rwanda and Zambia but remains off-track or severely off-track. Latest data for Ghana are 378 maternal deaths per 100,000 in 2007 (off-track) and Zambia 591 per 100,000 in 2007 (severely off-track). On the basis of current performance the vast majority of PSA countries will not meet this MDG target by 2015. However, data provide encouragement that a positive trend will be maintained. Over half of PSA countries are on track to meet the skilled birth attendance target.

Indicator	**6. HIV prevalence rate, 15-49 years old, in national based surveys**
Progress	**Little or no improvement**
2010/2011 target: At least 14 of 22 countries report reducing HIV/AIDS prevalence rates among 15-49 years old.	There are no new data since the last Autumn Performance Report, therefore, the current position is compared with baseline. Five countries show reducing HIV prevalence rates – Malawi, Rwanda, Uganda, Zambia and Zimbabwe – but the prevalence rates still remain high in most of these countries. Progress in reducing prevalence rates has reversed recently in Kenya and Mozambique. In Cambodia prevalence has fallen from 2.6% (1996) to 0.8% (2007) helped in part by DFID's multi-sectoral response. There has been little improvement in this indicator, and much remains to be done if this target is to be met.

Indicator	**7. Proportion of population with sustainable access to an improved water source (urban and rural)**
Progress	**Little or no improvement**
2010/2011 target: 7 countries judged to be on track maintained and progress accelerated in at least 7 of the remaining countries.	There are limited new data since the last Autumn Performance Report, therefore, the current position is compared with baseline. The seven countries that were on track at baseline are still on track to meet this MDG target. In addition, a further two countries – Ethiopia and Pakistan – are now judged to be on track and Zambia is showing accelerated progress. In Ethiopia 58% of the population in 2006 were not using an improved water source compared with 71% in 2000. In Pakistan, the figures are 10% in 2006 compared with 12% in 2000. However, a slowing of progress is evident in six countries and this puts at risk overall achievement of this MDG target.

Indicator	**8. The value (in nominal terms), and proportion admitted free of duties, of developed countries imports (excluding arms and oil) from low income countries.**
Progress	**Little or no improvement**
2010/2011 target: A positive change in nominal terms and as a% of duty free imports into developed countries from low income countries. *Baseline – 66% (3 year rolling average 2004-2006)*	Data available since the last Autumn Performance Report show a slight improvement on this indicator. The 3 year rolling average to 2007 of the percentage of duty free imports into developed countries from low income countries was 66.5% – a very marginal improvement on the baseline. Between 2005 and 2007, this represented an average of $90 billion per annum of trade in nominal terms. New data will be available in December 2009 and will be reported in the Annual Report 2010. High level advocacy and financial packages are in place to reduce trade barriers and to conclude a positive outcome for the Doha Development Agenda (the current trade-negotiation round of the World Trade Organization). UK is on track to deliver Aid for Trade commitments including £100 million contribution to the North South Corridor Project in East and Southern Africa. UK support to Fair Trade pushed sales growth above 40% to £700 million in 2008 (€2 billion worldwide).

Differences in extra-budgetary funds

Q86(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).

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New Zealand

Financial Statements of the Government of New Zealand for the Year Ended 30 June 2008 (published on 6 October 2008).
http://www.treasury.govt.nz/government/financialstatements/yearend/jun08
Financial Statements of the Government of New Zealand for the Year Ended 30 June 2008 (published on 6 October 2008).

The NZ Superannuation Fund, the Government Superannuation Fund, the Accident Compensation Corporation and the Earthquake and War Damages Commission are subject to audit by the Auditor-General, and detailed information on them is presented in the Notes to the Financial Statements (see Notes 11, 24, 25, and 32). (See answer to Q.35 for discussion of the concept of EBF in the NZ context).

The size of these portfolios on an unconsolidated basis (ie, including cross-holdings of government stock and other Crown instruments) are:

	30 June 2008 $m		30 June 2007 $m	
	Unconsolidated financial assets	**Unconsolidated financial liabilities**	**Unconsolidated financial assets**	**Unconsolidated financial liabilities**
NZDMO	16,578	32,952	12,939	32,370
Reserve Bank	18,159	16,160	17,718	16,176
Inland Revenue	14,294	4,575	13,193	3,294
NZ Superannuation Fund	13,791	494	12,576	90
ACC	12,958	720	12,169	570
NZ Post	7,385	7,243	5,119	4,943
Air New Zealand	2,065	1,932	1,749	2,069
EQC	5,615	6	5,484	5
Transpower	283	1,266	762	1,642
Customs	1,570	4	1,335	4
Ministry of Social Development	1,407	368	1,261	311
Mighty River Power	459	1,096	308	729
Meridian Energy	689	1,649	327	960
Genesis Energy	510	1,035	295	682