

**TRANSPARENCY**  
(OPEN BUDGET INDEX)

**86**

OUT OF 100

The Government of South Africa provides the public with **extensive** budget information.

**PUBLIC PARTICIPATION**

**65**

OUT OF 100

The Government of South Africa provides the public with **adequate** opportunities to engage in the budget process.

**BUDGET OVERSIGHT**

**85**

OUT OF 100

**BY LEGISLATURE**  
Budget oversight by the legislature in South Africa is **adequate**.

**100**

OUT OF 100

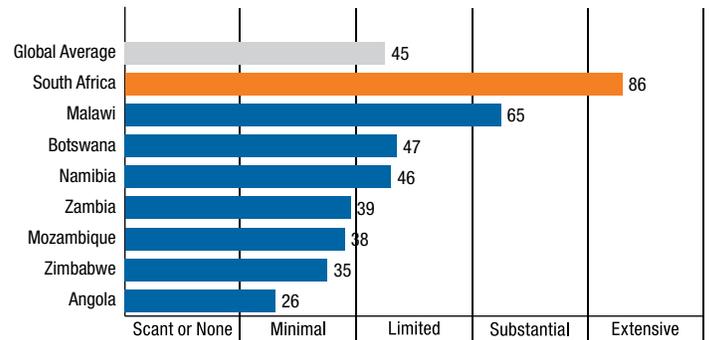
**BY AUDIT**  
Budget oversight by the supreme audit institution in South Africa is **adequate**.

**TRANSPARENCY (OPEN BUDGET INDEX)**

Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 indicators to measure budget transparency. These indicators are used to assess whether the central government makes eight key budget documents available to the public in a timely manner and whether the data contained in these documents are comprehensive and useful.

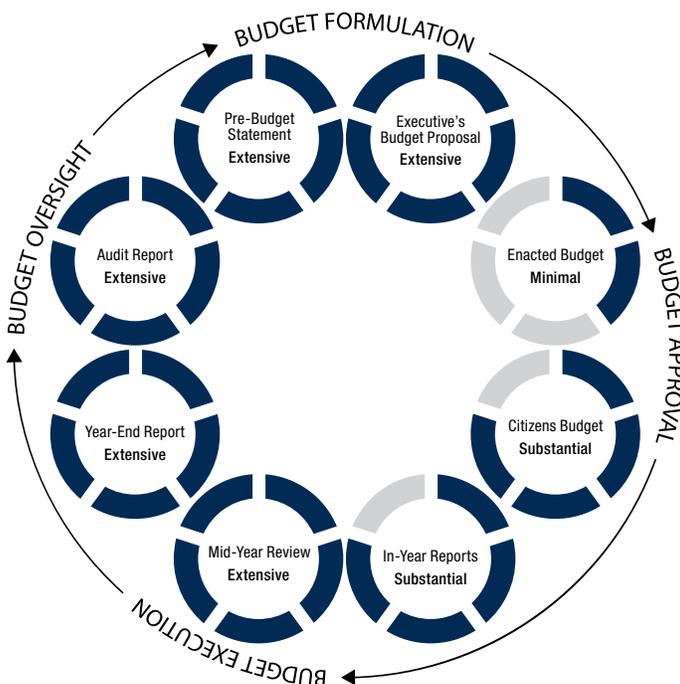
Each country is given a score out of 100 which determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

**Regional Comparison**

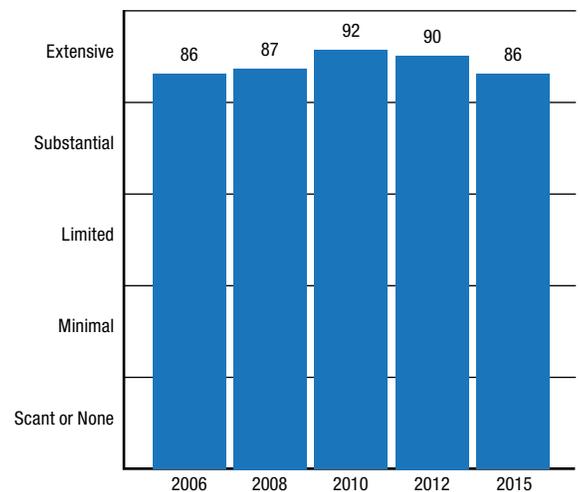


South Africa’s score of 86 out of 100 is substantially higher than the global average score of 45.

**Usefulness of Budget Information Throughout the Budget Cycle**



**Change in Transparency Over Time**



Note: The following categories are used to report the usefulness of each document:

Not produced, Published Late, Internal Use, Scant, Minimal, Limited, Substantial, or Extensive.

# TRANSPARENCY (OPEN BUDGET INDEX)

## The Availability of Budget Documents Over Time

Document	2006	2008	2010	2012	2015
Pre-Budget Statement	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	●	●	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	●	●	●	●	●
Year-End Report	●	●	●	●	●
Audit Report	●	●	●	●	●

● Not produced/published late ● Produced for internal use ● Published

South Africa's score of 86 on the 2015 Open Budget Index is largely the same as its score in 2012.

Although the Government of South Africa provides extensive budget information overall, it has failed to make progress by continuing to publish an Enacted Budget that only contains minimal budget information.

## PUBLIC PARTICIPATION

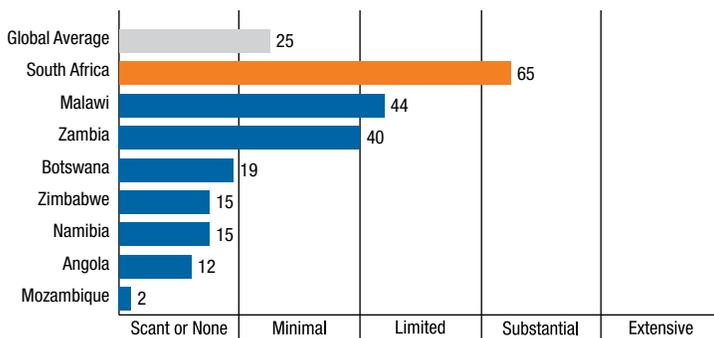
Evidence suggests that transparency alone is insufficient for improving governance, and that public participation in budgeting can maximize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

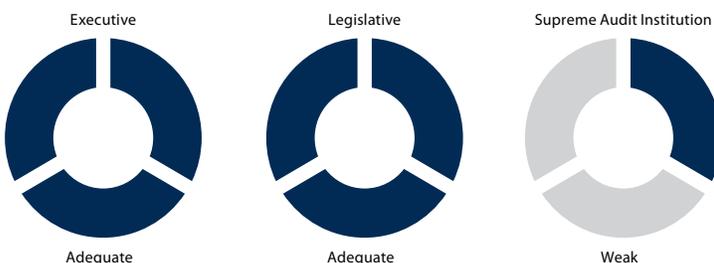
South Africa's score of 65 out of 100 indicates that the public is provided with **adequate** opportunities to engage in budget processes. This is higher than the global average score of 25.

The executive and the legislature provide more opportunities for public participation than the supreme audit institution. The supreme audit institution does not have formal mechanisms through which the public can assist in formulating its audit program nor does it provide formal mechanisms through which the public can participate in audit investigations.

### Regional Comparison



### Elements of Public Participation



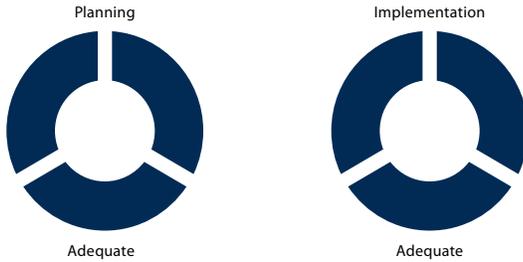
The executive could provide more opportunities for public participation in the budget process. There is, for example, no formal requirement for the executive to engage with the public during either the formulation or the execution phase of the budget process; instead the public only has access to informal procedures to engage with the executive during the budget process.

The executive has established some mechanisms to identify the public's perspective on budget priorities, but these mechanisms are not adequate. The "Tips for the Budget" tool, and the spaces established for community participants in National Economic and Labour Council, provide some access. In practice, however, these mechanisms do not facilitate broad-based and effective participation.

# BUDGET OVERSIGHT

The Open Budget Survey examines the extent to which legislatures and supreme audit institutions are able to provide effective oversight of the budget. These institutions play a critical role – often enshrined in national constitutions – in planning budgets and overseeing their implementation.

## Oversight by the Legislature



The legislature is able to provide **adequate** oversight during the planning stage of the budget cycle and **adequate** oversight during the implementation stage of the budget cycle. The legislature's ability to provide effective oversight during the planning stage is hindered in part because it receives the Executive's Budget Proposal less than six weeks before the start of the budget year.

## Oversight by the Supreme Audit Institution



The supreme audit institution is able to provide **adequate** budget oversight.

Under the law, it has full discretion to undertake audits as it sees fit. Moreover, the head of the supreme audit institution cannot be removed without legislative or judicial approval, which bolsters its independence. Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate and has an adequate quality assurance system in place.

# RECOMMENDATIONS

The findings of the OBI indicate that, to improve its national budget transparency, South Africa should increase the comprehensiveness of the Enacted Budget by presenting information on revenues and borrowing along with the expenditure information already provided.

## **Beyond Central Budget Transparency: Further Recommendations for Opening Budgets in South Africa**

In addition to conducting the Open Budget Survey in South Africa, the International Budget Partnership works with civil society partners to monitor budgets at the subnational level and advocate for better policies and implementation. Based on this work, IBP also recommends that the government undertake a further set of budget transparency reforms that would support deeper public engagement in the budget process.

National budget documents such as the Executive's Budget Proposal provide much of the information needed to monitor macro-level decisions about revenue and expenditure. They do not, however, contain all the information that the public needs to hold government at all levels to account for specific services.

This budget transparency gap is not only the result of limited budget information provided by local government but also the result of the high level of aggregation of figures in national and provincial budgets. For instance, if the public wants to monitor the funding for and the building of a specific school or hospital, provincial governments typically do not publish the necessary budget and service delivery information or it is published incompletely or irregularly. The same is true for most government services.

In addition, a large proportion of government services are outsourced, but very limited information on such expenditure is published, increasing the budget transparency gap. To address the gap, national, provincial and local government treasuries should publish (or facilitate the publication of) the following information for individual government services, starting with social services that impact most directly on the poor and marginalized:

- Disaggregated data by district or infrastructure unit
- Needs as identified by government
- Scope and specification of the service
- Budget allocation
- Actual expenditure
- Details on services delivered

In addition, for services that are outsourced, the following information should be published: the delivery agent and key contractual deliverables and milestones during the contracted period, together with terms and conditions for progress and final payments to such delivery agents.

## **Improving Participation**

South Africa should prioritize the following actions to improve budget participation:

- Establish formal regulations that oblige the executive to engage with the public during each stage of the budget cycle.
- Establish formal mechanisms for the public to assist the supreme audit institution to formulate its audit program and participate in audit investigations.
- Provide detailed feedback on how public assistance and participation has been used by the supreme audit institution.

## **Improving Oversight**

South Africa should prioritize the following action to strengthen budget oversight:

- Ensure the Executive's Budget Proposal is provided to legislators at least three months before the start of the budget year.

# METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), and the International Organisation of Supreme Audit Institutions (INTOSAI). It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between March 2014 and September 2015 and involved about 300 experts in 102 countries. The Survey was revised somewhat from the 2012 version to reflect emerging developments in accepted good practice and to strengthen individual questions. A full discussion of these changes can be found in a technical note on the comparability of the Open Budget Index over time (see below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable party.

The Survey is compiled from a questionnaire completed for each country by independent budget experts who are not associated with the national government. Each country's questionnaire is then independently reviewed by an anonymous expert who also has no association to government. In addition, IBP invites national governments to comment on the draft results from the Survey and considers these comments before finalizing the Survey results.

The Government of South Africa provided comments on the draft Open Budget Questionnaire results.

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

Yeukai Mukorombindo and Jay Kruuse  
Public Service Accountability Monitor  
PO BOX 94, Rhodes University,  
Grahamstown, 6140  
South Africa  
[j.kruuse@ru.ac.za](mailto:j.kruuse@ru.ac.za)

## Further Information

Visit [www.openbudgetsurvey.org](http://www.openbudgetsurvey.org) for more information, including:

- The Open Budget Survey 2015: Global Report
- Individual datasets for each of the 102 countries surveyed.
- A technical note on the comparability of the Open Budget Index over time.