



INTERNATIONAL BUDGET PARTNERSHIP
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SUBNATIONAL OPEN BUDGET SURVEY QUESTIONNAIRE

October 2013

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Abbreviations

AR	Audit Report (on Final Accounts)
APP	Annual Procurement Plan
BAB	Budget Approving Body
BY	Budget Year
CB	Citizens Budget
EB	Enacted Budget
EBP	Executive's Budget Proposal
IAAR	Individual Agency Audit Report
IBP	International Budget Partnership
OECD	Organisation for Economic Cooperation & Development
OBI	Open Budget Initiative
PEFA	Public Expenditure & Financial Accountability
PFM	Public Finance Management
SN	Subnational
YER	Year-End Report
UNDP	United Nations Development Programme

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Section One: The Availability of Budget Documents

Section One of the Questionnaire comprises a series of tables, which provide details of the documents consulted for the completion of the questionnaire, the extent of their availability, the methods by which they are disseminated and the languages in which they are made available.

Essentially, this is a set of summary tables. They enable the reader of the completed questionnaire, firstly, to understand the sources of information on which it is based and, secondly, to have an overview on the central question of the availability of the main budget documents to ordinary citizens at the Subnational level.

Specifically, Section One consists of the following tables:

- TABLE 1: Details of Main Budget Documents utilized and their availability
- TABLE 2: Supplementary Budget Documents utilized and their availability
- TABLE 3: Summary of Means of Dissemination for Main Budget documents
- TABLE 4: Languages in which Main Budget Documents are made available

Table 1: Details of Budget Documents utilized and their availability

This Table serves two purposes: firstly, it provides the details of the Budget Documents, which have been used to respond to the questionnaire; secondly, it records the extent to which the 7 principal Budget Documents are made available to the public.

Thus, in the first place, the Table provides the necessary references to allow any reader of this questionnaire to consult the source documents directly if they should so wish.

In addition, the responses in column 3 of the table bring together answers in the main body of the questionnaire, relating to the availability of Budget documents. The inclusion of these questions in the main body of the questionnaire ensures both that an explicit assessment of the extent of availability of each document is made and that the answers to these questions are incorporated within the overall numerical result for the Subnational Government being surveyed. In this way, recognition is given to those Subnational Governments striving to make budget documentation available to the public in more easily accessible ways.

This table is concerned with the following seven documents: the Executive's Budget Proposal (EBP), the Enacted Budget (EB), the Citizens Budget (CB), the Year-End Report (YER), the Audit Report on Final Accounts (AR), Individual Agency Audit Reports (IAAR), and the Annual Procurement Plan (APP).

When is a budget document considered "Publicly Available"?

A budget document is considered publicly available when any and all members of the public can review in detail a copy of the document either by accessing it on the Internet, by consulting a copy of the document in a library, reference centre or other public place, or by

receiving a copy of the document upon request to the public authority that issues the document.

It is often the case that budget documents, which are stated by Subnational governments to be available upon request, are in fact only available after a long delay or only for a prohibitively high cost. Under such circumstances, these documents would in fact be classified 'not available', because it is considered that documents should be provided within a time period of 30 calendar days, and at a cost which is no greater than the actual cost of reproduction of the document. The SN OBS includes a "Public Accessibility Framework", which is fully specified in the Methodology, covering in detail these and other such eventualities.

For the purposes of the questionnaire, the extent of availability of budget documents is classified utilising the following four categories:

- a) The document is produced and freely available to the public (i.e. posted on the Internet, or available for consultation by the public in a library, reference centre or other public place).
- b) The document is produced and made available upon request, within the timeframe and conditions specified in the Public Accessibility Framework for the SN OBS.
- c) The document is produced for internal purposes but not made available to the public.
- d) The document is not produced, even for internal purposes.

For purposes of responding to the questions in Sections 2-4, a document should be considered "publicly available" only if categories "a" or "b" above apply.

In completing the Questionnaire, the survey makes reference to those Budget Documents released within the most recent fully completed fiscal year. If any of the documents are not made available within the most recent fully completed fiscal year, then they should be considered not available. On the other hand, it should be expected that the documents made available during the most recently completed fiscal year (year "t") might provide information relating to the previous year or to a future year. The explanatory table below explains which is likely to be the year of coverage for each of the documents released during year "t".

BUDGET DOCUMENT	YEAR RELEASED	PROBABLE YEAR OF COVERAGE
Executive's Budget Proposal (EBP)	t	t +1
Enacted Budget (EB)	t	t (but possibly t+1)
Citizens Budget (CB)	t	t (but possibly t+1)
Year-End Report (YER)	t	t - 1
Audit Report on Final Accounts (AR)	t	t - 1, t -2 or t-3
Individual Agency Audit Reports (IAAR)	t	t - 1, t -2 or t-3
Annual Procurement Plan (AAP)	t	t (but possibly t+1)

Explanatory Notes for Table 1:

For the 7 Budget documents on which information is sought in Sections 2-4 of this questionnaire, provide the following information:

1. Full title, including the year of coverage of the document. For example, *"Kahama District Proposed Budget Estimates for 2012/13."*
2. The date the document was made available to the public. (Note: this is not necessarily the date of release indicated on the document itself, because often Budget documents may be issued in the first instance to the Legislative Assembly and only later to the general public.) Where the precise month of release is known, this should be indicated; if not, the year of release to the public should be indicated. Alternatively, "not available" or "not produced" may be entered as answers, where relevant.
3. The extent of availability to the public of the document. Four answers are possible, reflecting the answers provided in the main body of the questionnaire, which in turn are based upon the definition of 'publicly available' summarised above and presented in more detail in the Methodology. The four potential answers are:
 - a) The document is produced and freely available to the public (i.e. posted on the Internet, or available for consultation by the public in a library, reference centre or other public place)
 - b) The document is produced and made available upon request, within the timeframe and conditions specified in the Public Accessibility Framework for the SN OBS (see Methodology).
 - c) The document is produced for internal purposes but not made available to the public.
 - d) The document is not produced, even for internal purposes.
4. Internet URL or address, if applicable.

Table 1 Details of Budget Documents utilized and their availability

DOCUMENT	1) Full Title	2) Date of Release	3) Extent of Availability (a, b, c, d.)	4) Internet Address or URL
Executive's Budget Proposal				
Enacted Budget				
Citizens Budget				
Year-End Report				
Audit Report on Final Accounts				
Individual Agency Audit Report				
Annual Procurement Plan				

TABLE 2: Supplementary Budget Documents utilized and their availability**Explanatory Notes for Table 2:**

In certain cases, the information sought in Sections 2-4 of this questionnaire may not be provided in the main Budget documents themselves but rather in supplementary documents, which are complementary to these main documents but separately issued and distributed. Where such supplementary documents have been utilised to address some of the questions in Sections 2-4, Table 2 should provide, in respect of these supplementary documents, the same details requested in Table 1 above. Where supplementary documents have not been consulted, the relevant rows in Table 2 should be left blank. Where appropriate, the whole of Table 2 may be left blank.

Table 2 Supplementary Budget Documents utilized and the their availability

DOCUMENT	1) Full Title	2) Date of Release	3) Extent of Availability (a, b, c, d.)	4) Internet Address or URL
Executive's Budget Proposal: Supplementary Document 1				
Executive's Budget Proposal: Supplementary Document 2				
Enacted Budget: Supplementary Document 1				
Additional Individual Agency Audit Report 1				
Additional Individual Agency Audit Report 2				
Other Supplementary Documents:				
Other Supplementary Documents:				

TABLE 3: Summary of Means of Dissemination for Main Budget documents

This section summarises the answers provided within the questionnaire itself relating to the means of dissemination of the four key budget documents, namely the Executive Budget Proposal (EBP), the Enacted Budget (EB), the Year-End Report (YER) and the Audit Report (AR). It also considers the means of dissemination utilised for the Citizen's Budget, where applicable. (Where a Citizen's Budget exists, this is considered a means of written dissemination of the Enacted Budget but it may itself be disseminated through a variety of oral and written means.)

Explanatory Notes for Table 3:

Budget transparency requires not only the publication of relevant budget documents but also their active dissemination to as many members of the public as possible. Governments at the SN level face major challenges in disseminating budgetary information in ways that are appropriate to the varied population profiles falling within the SN territory. In order to do this successfully, several means of dissemination need to be used in order to ensure that all members of the public have adequate access to budget documents, regardless of the languages they speak, their levels of literacy, their familiarity with and access to Information Technology, or their proximity to the capital city of the SN territory. Where a large range of different means of dissemination is used, adequate access by different types of citizens is more likely to be achieved.

Many SN Governments also face a special concern in meeting the needs of citizens, with low levels of literacy, or at least of technical literacy. In such circumstances, exclusive reliance on written dissemination means will not be effective to address this population. For this reason, SN Governments need dissemination strategies, which combine both oral and written means of dissemination. A range of different oral and written dissemination mechanisms will generally provide the combination most suitable to varied population groups.

In the table below, 6 standard means of dissemination are identified, 3 of which are oral and 3 written. Drawing on the results from the Questionnaire, researchers should indicate with a Yes or No answer where there is evidence available on the use of these six dissemination mechanisms. In this way, the quality of dissemination of the four key Budget documents may be assessed, utilising the "a" – "d" scoring system indicated in the table.

Table 3 Summary of Means of Dissemination for Main Budget documents

Document:	EBP	EB	CB	YER	AR
Use of Oral Dissemination	<i>Yes/No</i>	<i>Yes/No</i>	<i>Yes/No</i>	<i>Yes/No</i>	<i>Yes/No</i>
Radio, TV or other audio-visual dissemination means					
Public meetings, hearings or other means of direct oral dissemination					
Information Desks, telephone "help-lines" and other forms of permanent assistance provided orally to citizens					

Written Dissemination

Internet, including web pages, blogs, and messages/ materials disseminated through social media					
Pamphlets, or other summary written versions of budget documents					
Printed copies of budget documents, made available at public libraries and/or through government offices					

Assessment of Quality of Dissemination (A to D, from Questionnaire)

A = 4 out of 6 means of dissemination; B = 3 out of 6 means, but at least 1 oral & 1 written; C= 2 out of 6, or 3 purely written; D= 1 or none.					
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NB: EBP = Executive Budget Proposal; EB = Enacted (Approved) Budget; CB = Citizen's Budget; YER = Year-End Report (consolidated annual accounts); AR = Audit Report (on consolidated annual accounts).

TABLE 4: Languages in which Main Budget Documents are made available

Effective transparency must take into consideration the different languages understood by citizens in a given territory. In many countries and even more so within specific provinces, states or regions, there exist significant minorities (i.e. in excess of 10 % of the population) or even majorities of the population, whose understanding of the official language is not adequate for a proper comprehension of budgetary documents.

For transparency policies to be effective, these language issues need to be taken into consideration. Ideally, budgetary documents would be translated in full into at least one additional language but for logistical reasons, it is often more practical to translate summary versions of the key budgetary documents.

Explanatory Notes for Table 4:

The following table assesses the availability of the four main Budget documents, and of the Citizens Budget in the languages that are relevant in the given territory, taking account of the possibility that the translation may be of a summary version rather than the full text. For each document, record either “YES” or “NO” in the cells to indicate whether the statement applies or does not apply to the document.

Table 4 Languages in which Main Budget Documents are made available

DOCUMENT:	Executive Budget Proposal	Enacted Budget	Citizens Budget	Year-End Report	Audit Report on Final Accounts
	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A. <u>Full text</u> of Document available in at least one additional language to the main official national language.					
B. <u>Summary version</u> of Document available in at least one additional language to the main official national language.					
C. Available only in the main official national language but this language is spoken by more than <u>90 %</u> of the population.					
D. Available only in the main official language in a territory where <u>10 % or more</u> of the population do not speak the main official language.					

Section Two: The Budget Formulation Process

GENERAL EXPLANATORY NOTES:

For each question, four choices of answers are provided. Researchers should mark their answers by placing the appropriate letter (a, b, c, or d) in the column cell to the right of the question. Answer choice “e” corresponds to “Not applicable” and must only be used in exceptional circumstances, where there are special reasons why the question itself should not be applicable. In addition, for all “e” answers, a brief explanation must be provided that indicates why the question is not applicable.

For each question, researchers should also insert a citation, providing a reference to the source of the evidence for the answer given, for example: ‘EBP, pp. 25-26, Table 4’ or ‘Testimony of Municipal Treasurer, supported by Subnational Gazette May 2013, p.xi’. (Further information on the process of including citations, soliciting comments from the SN Government, responding to these comments and confirming the answer provided is included in the Methodology.)

For those questions intended to evaluate the contents of the key budget documents, researchers must use ONLY publicly available budget documents for their answers.

2.1 Availability and dissemination of the Executive’s Budget Proposal (EBP)

The Executive’s Budget Proposal is the document submitted by the Executive of the Subnational government to the Budget Approving Body, for review, amendment, where appropriate, and final approval. It presents the SN Executive’s planned budget for the forthcoming year.

In order to ensure budget transparency, it is important that the Executive’s Budget Proposal should be made available to the general public in addition to the Enacted (or Approved) Budget. In this way, citizens may have the opportunity to raise their concerns about aspects of planned spending or revenue raising, prior to the formal approval of such plans by the Budget Approving Body. After the EBP is approved and passed into law, amendments to planned spending or revenue raising are likely to be more complicated to introduce, and for this reason public access to the EBP is given special importance in this survey and in the national Open Budget Survey.

The precise definition of the “Subnational Executive” will vary depending upon the legal and institutional framework applicable to the tier of government being surveyed. It describes the organisational entity with fiduciary responsibility for managing budget spending (and in some cases revenue raising) at the Subnational level. In most cases, the SN Executive would be headed by a locally elected or nominated leader, such as a Regional President, a Governor or a Mayor. In other cases, such leaders might be nominated centrally either by a Minister of the National Government, by the President or Prime Minister or by the National Legislature.

2.1.1 Extent of Availability, timeliness and dissemination of the EBP

Explanatory Notes for Question 1 - Dissemination mechanisms

Budget transparency requires not only the publication of relevant budget documents but also their active dissemination to as many members of the public as possible. Governments at the SN level face major challenges in disseminating budgetary information in ways that are appropriate to the varied population profiles falling within the SN territory. In order to do this successfully, several means of dissemination need

to be used in order to ensure that all members of the public have adequate access to budget documents, regardless of the languages they speak, their levels of literacy, their familiarity with and access to Information Technology, or their proximity to the capital city of the SN territory. Where a large range of different means of dissemination is used, adequate access by different types of citizens is more likely to be achieved.

Many SN Governments also face a special concern in meeting the needs of citizens, with low levels of literacy, or at least of technical literacy. In such circumstances, exclusive reliance on written dissemination means will not be effective to address this population. For this reason, SN Governments need dissemination strategies, which combine both oral and written means of dissemination. A range of different oral and written dissemination mechanisms will generally provide the combination most suitable to varied population groups, irrespective of their literacy characteristics or access to IT.

In the table below, 6 standard means of dissemination are identified, 3 of which are oral and 3 written. Researchers should assess the quality of dissemination of the EBP, in relation to the evidence available on the use of these six dissemination mechanisms.

Oral Dissemination	Written Dissemination
Radio, TV or other audio-visual dissemination means	Internet, including web pages, blogs, and messages/ materials disseminated through social media.
Public meetings, hearings or other means of direct oral dissemination.	Pamphlets, or other summary written versions of budget documents
Information Desks, telephone “help-lines” and other forms of permanent assistance provided orally to citizens.	Printed copies of budget documents, made available at public libraries and/or through government offices.

Q.1

Does the SN government utilize an adequate range of mechanisms for the dissemination of the Executive’s Budget Proposal?

- The SN government uses at least four of the identified dissemination means for the EBP.
- The SN government uses three of the identified dissemination means, of which at least one is oral and one written.
- The SN government uses only 2 mechanisms or 3 purely written mechanisms of dissemination.
- The SN government uses one or no dissemination means for the EBP.
- Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT
LETTER
ANSWER

INSERT RESPONSE WHERE APPLICABLE <u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION	
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Explanatory Notes for Question 2 – timeliness of distribution of EBP:

The OECD notes that the Executive's Budget Proposal (EBP) should be submitted to the elected legislative body far enough in advance to allow the elected legislative body to review it properly, or at least three months prior to the start of the fiscal year (assuming that approval takes place shortly before the close of the previous fiscal year). By the same token, if the public are to have an adequate opportunity to review the EBP and make their views known to the Legislature and/ or the Executive, then they should obtain access to the EBP within a broadly similar time scale. This question therefore assesses how far in advance of the approval of the Budget by the Budget Approving Body (BAB) the Executive's Budget Proposal is made publicly available.

At the SN level, it is understood that the body in charge of approving the budget would ideally be the SN Legislature - where an elected body exists at this level. However, in the case of appointed governments or in other contexts where there is no Legislature at the SN level, the relevant body may be a specified institution (such as the Ministry of Finance, or the Ministry of Regional & Local Government) of the National Government, or a formally constituted national commission. Here we use the phrase, "the Budget Approving Body" (BAB) to capture all of these eventualities.

Q.2

How far in advance of the approval of the Budget by the Budget Approving Body (BAB) is the Executive's Budget Proposal made publicly available?

- a. The Executive's Budget Proposal is made available to the public at least three months before the budget is approved.
- b. The Executive's Budget Proposal is made available to the public at least six weeks, but less than three months, before the budget is approved.
- c. The Executive's Budget Proposal is made available to the public less than six weeks before the budget is approved.
- d. The Executive's Budget Proposal is not made available before the budget is approved.
- e. Not applicable/other (please comment).

INSERT
LETTER
ANSWER

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

2.1.2 Inputs by the Public into the Budget Formulation Process

Explanatory Notes for Questions 3-5:

The Subnational Executive and its agencies will normally request opinions from the public during the Budget formulation process. The Executive may solicit information from the public for general purposes, - as part of a formal commitment to transparency - or may solicit targeted input on specific projects, plans, or initiatives, where the Executive deems that consultation would be needed/ valuable. In both cases, the consultation process will be more transparent and generally more effective where consultation is formalized – in the sense of being institutionalized in legal or administrative requirements or at the very least pre-announced.

Unless there is a compelling reason to target only certain segments of the public, methods of public consultation should be open and should encourage broad-based engagement. Even where a targeted group of the public is the focus, rules and norms should be followed to ensure that the participants chosen from the target group are as representative as possible of the wider public in terms of gender, age, ethnic background and geographical location.

In cases when limited time and resources are a constraint, public engagement can be limited to specific segments of the public so long as those segments are identified transparently and without discrimination. For example, one method is to create standing advisory groups based on lists of individuals and civil society organizations interested in specific budgetary issues in order to contact these individuals and organizations when their issue(s) arise. Those parties interested in being included on such standing lists should receive clear and timely information on how they can join the lists, and there should be no discrimination or exclusions in compiling such lists.

Below, we present some examples of mechanisms used by governments for soliciting public input, with additional notes explaining some of the deliberate efforts that might be made to ensure representativeness:

- surveys, either in person or via mail, phone, or Internet (with the selection of people surveyed either made fully at random, or selected in a structured way to provide representation from each geographical area, with the selection within each area made at random) ;
- focus groups (chosen to ensure adequate representation by gender, age group, ethnic background or location) ;
- interviews (usually chosen to take advantage of the specialist knowledge of the interviewee but with additional efforts made to ensure a reasonable balance by gender, age group, and ethnic group);
- technical inputs from specialized members of the public or from specific civil society organisations (usually based on standing lists as described above);
- Established public committees, councils or standing advisory groups designed to provide input into public policy making (with specific rules and norms governing selection, so as to ensure no discrimination); and
- Open meetings, such as public hearings, “Town Hall” meetings, and community vision sessions (held at different times and places, and widely advertised to maximise chances of a representative group of participants.).

Therefore, Questions 3-5 address three separate aspects of the consultation mechanism, examining the extent to which:

- i) Public consultation on the SN Executive's budget proposals is formalized as a regular, annual process – ideally as a legal or regulatory requirement;
- ii) Consultation is deliberately structured so as to be accessible to a representative selection of the public – including citizens resident in different areas of the SN territory, men and women, people of each of the main ethnic groups within the SN territory, and younger and older adults.
- iii) The scope of budgetary issues on which consultation is sought is as broad as possible, including ideally issues of revenue and deficit financing as well as all of the expenditure categories falling within the discretionary budget.

In order to obtain verifiable information on these issues, researchers should seek the following evidence:

- Ideally, researchers should seek to see the regulations or norms governing public consultation, where these exist. (A reference to these norms should be included as a citation within the answers to the relevant questions. A photograph of the regulation – from a mobile phone, for example – should also be obtained if possible.)
- Alternatively or in addition, official or press reports on the consultation processes should be used as sources (...and also cited and photographed.)
- As a last resort, reliance may be placed on the testimony of officials interviewed from the Finance Department within the SN government, so long as the facts provided can be verified through a secondary interview source, such as a member of the Budget Approving Body, or a member of the public, who has been involved in the relevant consultation processes.

These are also the relevant information sources for Question 6.

<p>Q.3</p> <p>Has the Executive established a regular, annual <u>mechanism to identify the public's perspective</u> on budget priorities?</p> <ol style="list-style-type: none"> a. A regular, annual mechanism for consultation with the public is a legal or regulatory requirement, which is respected by the SN Executive. b. A regular, annual mechanism for consultation is utilized but this is not a legal or regulatory requirement. c. Mechanisms for consultation with the public are utilized during the budget formulation phase but not on a regular, annual basis. d. No public consultation mechanism has been implemented for the budget formulation phase. e. Not applicable/other (please comment). <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p>	<p>INSERT LETTER ANSWER</p>
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<u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE <u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE <u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION	
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Explanatory Note on Q.4 – representativeness of SN Executive’s public consultation process on the EBP

Consultation should be open to any citizen of the Subnational area. In addition, it should be deliberately structured so as to be accessible to a representative selection of the public – including citizens resident in different areas of the SN territory, men and women, people of each of the main ethnic groups within the SN territory, and younger and older adults. Where each of these criteria is fulfilled, an “a” score is assigned.

Sometimes the time available for consultation may preclude an open consultation process. In such cases, a specific segment of the population would need to be targeted (for example citizens resident in one particular area, or citizens of a particular age). In these circumstances, if special efforts are made to ensure that the process of selection (or invitation) of potential citizens to be consulted is, in other respects, non-discriminatory, a “b” score is assigned, corresponding to a targeted, and therefore not an open process, which is, nevertheless, managed in a representative manner.

Where no deliberate efforts are made to ensure representativeness, a “c” score is assigned. (See explanatory notes above for examples of what might constitute deliberate efforts to ensure representativeness.)

Q.4 Are the <u>consultation processes for the EBP</u> designed to facilitate access by a <u>representative</u> selection of the public? <ol style="list-style-type: none"> Consultation processes are fully open and designed to facilitate access by a representative selection of the public. Consultation processes are targeted to specific segments of the population but the selection process is non-discriminatory. Consultation processes involve no deliberate efforts to ensure representativeness. No public consultation mechanism has been implemented for the budget formulation phase. Not applicable/other (please comment). <u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION <u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE <u>Researcher Response:</u>	INSERT LETTER ANSWER
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INSERT RESPONSE WHERE APPLICABLE <u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION	
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Explanatory Note on Q.5 – scope of SN Executive’s consultation with the public

The “discretionary” budget is a term used to denote those aspects of the budget over which the Executive has decision-making power (or discretion), subject to the approval of the Budget Approving Body for the SN government. Debt servicing payments and pension contributions are the most common non-discretionary items. In addition, the value of Intergovernmental transfers to lower levels of government is often constitutionally defined and thus is also non-discretionary. The Executive has no choice (discretion) in setting the budget for these items and there is therefore no purpose in consultation with the public.

On the other hand, the SN Executive would have discretionary power regarding decisions over the level of spending and/ or the geographical concentration of spending on services falling within the competence of the SN government. Consultation on these decisions is therefore useful and desirable.

Q.5

What is the scope of the Executive’s consultation with the public during the formulation of the EBP?

- The consultation process covers the whole budget, including revenue and deficit financing issues, as well as all aspects of expenditure contained within the discretionary budget.
- The consultation process is limited to the expenditure proposals but includes all elements of expenditure contained within the discretionary budget.
- The consultation process does not include all elements of expenditure contained within the discretionary budget.
- No, a consultation mechanism has not been implemented for the budget formulation phase.
- Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

INSERT
LETTER
ANSWER

Explanatory Notes on Q.6 – participation of the public in the official hearings on the Executive’s Budget Proposal

The next question examines the extent to which the members of the public are provided access to the hearings on the EBP held by the body responsible for approving the Budget (the Budget Approving Body or BAB).

It is understood that the body in charge of approving the budget would ideally be the Legislature at the Subnational level- where an elected body exists at this level. However, in the case of appointed governments or in other contexts where there is no Legislature at the SN level, the relevant body may be a specified institution (such as the Ministry of Finance, or the Ministry of Regional & Local Government) of the National Government, or a formally constituted national commission. Here we use the phrase, “the Budget Approving Body” (BAB) to capture all of these eventualities.

Hearings may be considered public if members of the press and public are free to attend them, or if the hearings are broadcast in a medium that is easily accessible to the majority of the population, such as radio or television.

Members of the public who are invited to testify at such hearings could include any individual, organization, or association independent of national government. Members of the public can include private citizens; academics and members of private or public research institutes (if the research they produce is substantially free of government control); and representatives of civil society organizations, community-based organizations, trade unions, religious organizations, or other types of associations.

It is important to consider whether hearings take place within the territory of the SN government because the geographical proximity of the hearings is likely to facilitate more active input by the citizens of the SN government. For example, where the Budget Approving Body is a department or agency of the National Government, it is probable that budget hearings would take place in the capital city, which is likely to reduce the scope for input by citizens from the territory of the SN government.

Q.6

Does the Budget Approving Body (BAB) hold public hearings on the Executive’s Budget Proposal (EBP) in which testimony from the public is heard within the territory of the SN government?

- Extensive public hearings, incorporating public testimony, are held regarding the EBP within the territory of the SN government.
- Public hearings are held within the SN territory regarding the EBP but testimony from the public is not heard.
- Public hearings are held but not in the territory of the SN government.
- Hearings on the EBP are not open to the public.
- Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

INSERT
LETTER
ANSWER

<u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE <u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION	
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2.2. Content of the Executive's Budget Proposal

2.2.1 Details of Intergovernmental Transfers

Explanatory Notes for questions on Intergovernmental Fiscal Transfers

In most countries, the funding of Subnational governments involves a mix of revenues from tax and non-tax sources (fees and charges), which the SN Governments collect directly, and grants, which are transferred from the Central Government (or from intermediate levels of government) as intergovernmental fiscal transfers. This set of questions is concerned with the information available to citizens at the SN level in relation to intergovernmental fiscal transfers.

In the countries where SN Governments function as an intermediate level of Government, such Governments will usually play an intermediary role in the IG transfers, having both the right to receive transfers from Central Government, but also the obligation to transfer resources to lower Government tiers (such as municipalities or districts). Consequently, citizens should be entitled to access information on IG transfers and to compare this information with the IG transfer that SN Governments should be sending to lower government tiers and receiving from Central Governments.

Citizens at the local level require access to three types of information on such transfers:

- Information in the Executive Budget Proposal of the IG transfers budgeted (both to be received and to be transferred)
- Information in the Enacted Budget of the IG transfers approved (both to be received and to be transferred)
- Information in the Year-End Report of the IG transfers actually received and sent.

In addition, citizens should be able to compare the information contained in each of these three documents so as to be able to assess the significance of the differences between the IG Transfers proposed in the EBP, approved in the Enacted Budget, and those actually received (Year-End Report). In principle, access to the 3 documents would allow these comparisons to be made but because their structures may well be different, this may not be so straightforward for an ordinary citizen. Therefore, value is also placed on the inclusion of comparative tables within the End of Year Report.

Intergovernmental transfers are commonly divided between Unconditional Grants made available as a constitutional right to SN Governments, whose use is normally decided by the Executive of the SN government (with the approval of the BAB), and Conditional Grants, whose use is earmarked to specific sectors or to specific spending programmes.

In scoring access to information, primacy is given to three factors: 1) the fact that information is presented in the Budget Documents (Executive Budget Proposal, Enacted Budget and Year-End Report) rather than being available only on request, 2) that information provided is disaggregated to include detail on the

nature or type of grants (Conditional transfers, Unconditional transfers, etc.); and 3) that information on I-G transfers is consolidated in one place, rather than being divided between different sections, or different documents.

As with other questions, the option to mark a question “not applicable” exists but this category should, as always, be used with extreme caution. The most obvious case where the questions would not be applicable would be where the SN government does not make or receive Intergovernmental transfers. As always, clear explanation for the use of the “not applicable” category should be provided.

The questions in this section draw on the ideas and principles embodied in the indicator on “Transparency of Intergovernmental Fiscal relations” (PI-8) of the Public Expenditure and Financial Accountability (PEFA) framework of January 2011.

<p>Q.7</p> <p>Does the Executive’s Budget Proposal include information on the <u>value of I-G transfers to be received</u> from Central Government for the forthcoming year?</p> <ul style="list-style-type: none"> a. Information is provided in the EBP on the value of I-G transfers to be received and it is presented in a disaggregated manner, which distinguishes the main types of grant. b. Information is provided in the EBP on the value of I-G transfers to be received but this information is not disaggregated between the main types of grants. c. Information is not provided in the EBP on I-G transfers to be received, but the public may access this information from the SN Government upon request. d. Information on I-G transfers is not available to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	<p>INSERT LETTER ANSWER</p>
<p>Q.8</p> <p>Does the Executive’s Budget Proposal include information on the <u>value of I-G transfers to be transferred</u> by the SN Government to lower level governments for the forthcoming year?</p> <ul style="list-style-type: none"> a. Information is included in the EBP on the value of I-G transfers to be made and it is presented in a disaggregated manner, which distinguishes the main types of grant. 	<p>INSERT LETTER ANSWER</p>

<p>b. Information is included in the EBP on the value of I-G transfers to be made but this information is not disaggregated between the main types of grants.</p> <p>c. The EBP does not provide information in on I-G transfers to be made but the public may access this information from the SN Government upon request.</p> <p>d. Information on I-G transfers to be made to lower level governments is not available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Explanatory Note for Question 9 – availability of formulae for calculating Intergovernmental Fiscal Transfers

In order to ensure full transparency of information, it is necessary not only to present information on the value of I-G transfers to be received or made but also information on the formulae, which are used to calculate the value of fiscal transfers. In this way, citizens of the SN government are in a position to judge whether the values of forthcoming I-G transfers have been correctly calculated, based on a correct interpretation of the ruling legislation and regulations. Normally, the formulae for calculation of I-G transfers would be specified either in the Constitution itself or in specific legislation but sometimes the basis for setting formulae is by decree or by administrative regulation. Regardless of the legal basis of the formulae, this question simply assesses their availability within the EBP or its supporting documentation.

<p>Q.9</p> <p>Does the EBP or its supporting documentation include <u>the formulae used to calculate the value of I-G transfers</u> to be received and, where applicable, to be transferred by the SN Government for the forthcoming year?</p> <p>a. The formulae are available and consolidated at a single source of information, within the EBP or its supporting documentation.</p> <p>b. The formulae are available but not at a single source of information.</p> <p>c. The formulae are only available upon request.</p> <p>d. The formulae for calculating I-G transfers are not available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p>	<p>INSERT LETTER ANSWER</p>
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Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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2.2.2. Estimates for the Budget Year and Beyond**Explanatory Notes for Question 10 – classification of budget by administrative unit:**

Expenditures can be organized according to a variety of budgetary classifications, of which the two most important are by administrative unit, and by economic category (a third, more detailed, categorization is by individual expenditure programme). Each of these classification systems has different uses. Reporting expenditure by administrative unit indicates which government entity (department or agency) will be responsible for spending the funds and, ultimately, held accountable for their use — it responds to the question of “who spends the money?”

To answer “a,” all expenditures covered in the budget – both recurrent and development - would be assigned by administrative classification, with the exception of special payments, for which separate provision is normally made in the Constitution or in the Public Finance Act - such as debt servicing payments, contributions to pension funds and transfers to lower levels of government, for which no department or agency within the SN government is assigned specific responsibility. A “b” answer would correspond to a situation in which all (relevant) recurrent expenditures are assigned by administrative classification but development (investment) expenditures are not so assigned. A “c” answer would correspond to a situation, in which significant proportions of recurrent expenditure are not pre-assigned in the budget to the administrative units which will spend these resources but rather held within the budget allocation of the Finance Department or of Subnational “Funds”, from which transfers are later made during the budget execution process.

Q.10

Does the Executive’s Budget Proposal present expenditures for the budget year classified by administrative unit (i.e., by department or agency)?

- Yes, administrative units accounting for all expenditures – recurrent and development- are presented.
- Yes, administrative units accounting for all expenditures are presented, but development expenditures are not assigned in the EBP to the administrative units responsible for their management.
- Yes, administrative units accounting for some expenditures are presented, but a significant proportion remain centrally assigned in the EBP, rather than being assigned to the departments or units, which will manage these expenditures.
- Expenditures are not classified by administrative unit.
- Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

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ANSWER

<p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Explanatory Notes for Question 11 – use of economic classification:

The Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, purchase of goods or services, or for transfers or subsidies.

To answer “a,” all budget expenditures should be organised by an economic classification system consistent with the international standards, specified in the International Monetary Fund’s Government Finance Statistics Manual 2001 edition (GFSM 2001). In order to confirm that GFSM 2001 standards are being utilised, researchers should refer to the preamble or the explanatory notes to the EBP, where standards would normally be specified, or alternatively refer to other publicly available documents specifying the standards for budgeting and accounting, or, as a last resort, refer to the testimony of officials interviewed from the Finance Department of the SN government. (In all these cases, a corresponding citation should be inserted in the answer to the Questionnaire.)

The “b” response would apply where all budgeted expenditures are classified according to an economic classification, but this is not consistent with international standards as specified in GFSM 2001.

In contrast, the “c” response would apply if a significant portion of expenditures were not classified by economic category. For instance, the “c” response would be appropriate if expenditures were presented separately for some of the major economic purposes, such as wages and benefits, but a large residual portion of the total budgeted expenditure remained classified as “other” or “unclassified”.

<p>Q.11 Does the Executive’s Budget Proposal or any supporting budget documentation present expenditures for the budget year according to their economic classification?</p> <p>a) Yes, expenditures are presented by economic classification. b) No, expenditures are not presented by economic classification c) Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u></p>	<p>INSERT LETTER ANSWER</p>
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TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

Explanatory Notes for Question 12 – use of programme definitions:

There is no standard definition for the term “programme,” and the meaning can vary from country to country. It refers to a grouping of expenditures dedicated towards a coherent programme of spending, with a defined set of outputs and a unified management structure. For the purposes of answering the questionnaire, researchers should understand the term “programme” to refer to any level of detail below the main administrative units (or “votes”), such as the ministry or department. For example, the Ministry of Health’s budget could be broken down into several subgroups, such as “primary health care,” “hospitals,” or “administration.” These subgroups should be considered programmes.

To answer “a,” all expenditures covered in the budget – both recurrent and development - would be assigned by programme, with the exception of payments, for which where the SN Government would not have a mandate to assign expenditure to specific programmes and for which separate provision would normally be made in the Constitution or in the Public Finance Act - such as debt servicing payments, contributions to pension funds and transfers to lower levels of government. A “b” answer would correspond to a situation in which all (relevant) recurrent expenditures are assigned by programme but development (investment) expenditures are not so assigned. A “c” answer would correspond to a situation, in which only some expenditures within the Budget are assigned by programme.

NB: A note for francophone countries: “Programmes” are often referred to as *budgets programmes*, and are normally presented in supplementary documents to the main budget. Sometimes, the programme level detail is presented in the *plan comptable* or *plan comptable détaillé*.

Q.12

Does the Executive’s Budget Proposal or any supporting budget documentation present expenditures classified by programmes?

- Yes, programs accounting for all relevant recurrent and development expenditures are presented.
- Yes, programs accounting for at least two-third of relevant recurrent and development expenditures are presented.
- Yes, programs accounting for less than two-third of relevant recurrent and development expenditures are presented.
- No, expenditures are not presented by program.
- Not applicable/other (please comment).

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ANSWER**Citation:**

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

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<u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE <u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION	
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Explanatory Note on Questions 13 & 14 – multi-year budgets:

Because budgetary decisions affect the parameters of future budgets, it is useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period is generally considered an appropriate horizon for budgeting and planning. This should include both 3-year estimates of expenditures and 3-year estimates of revenues and other financing sources.

<p>Q.13</p> <p>Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?</p> <ul style="list-style-type: none"> a. Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification). b. Yes, multi-year expenditure estimates are presented by two of the three expenditure classifications. c. Yes, multi-year expenditure estimates are presented by only one of the three expenditure classifications. d. No, multi-year expenditure estimates are not presented by any expenditure classification. e. Not applicable/other (please comment). <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	INSERT LETTER ANSWER
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Explanatory Note for Question 14 – multi-year perspective for revenues:

Note that the level of disaggregation is not considered in this question. As long as the Executive's Budget Proposal presents revenue estimates for at least two years following the budget year in question, an "a" answer is appropriate.

Q.14

In the EBP or any supporting budget documentation are estimates of the aggregate level of revenue presented for a multi-year period (at least 2 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:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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Explanatory Note for Question 15 – disaggregation of tax sources:

Question 15 assesses the degree to which the individual sources of revenues are disaggregated in the budget. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is important that estimates for revenues be disaggregated and displayed based on their sources.

Q.15

Does the EBP or any supporting budget documentation present the different sources of revenue for the budget year (Tax and non-tax revenues)?

- a. All sources of revenue are presented, according to the specific taxes or fees, from which the budgeted revenues are expected.
- b. Only major sources of revenue are presented, with other taxes and fees grouped together.
- c. Some sources of revenue are presented, but not all major sources.
- d. There is no disaggregation of sources of revenue for the SN government.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

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ANSWER

Comment by Survey Coordinator:

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Explanatory Notes for Question 16 – the planned fiscal deficit or surplus:

The Executive's Budget Proposal should clearly reflect the planned balance between aggregate revenues and expenditures for the forthcoming year, i.e. the fiscal deficit or surplus.

Many SN budgets do not highlight the planned deficit or surplus. This is usually due to two common presentational problems. Either, in the presentation of revenues, the sources of loan finance (to cover the deficit) are combined with the presentation of current revenues (from taxes and grants). Or, in the presentation of expenditures, the amortization of loans (loan principal repayments) is combined with interest payments. When stocks and flows are mixed in these ways, the balance (surplus or deficit) between the annual flows of revenues and expenditures will not be explicitly calculated. Sometimes the degree of detail in the information presented will be sufficient for the reader to make his/her own calculation of the surplus or deficit. In other cases, information will be aggregated in ways that make this impossible.

Option e) "not applicable" is available but there are no obvious scenarios when such an answer might be appropriate. Many SN governments are legally forbidden to run a deficit but even in these situations, the level of surplus would need to be planned and clearly presented in the EBP. Where a balanced budget was legally required, then it would be appropriate to show a zero balance between revenues and expenditures.

Q.16

Does the Executive's Budget Proposal or its supporting documentation present an estimate of the planned deficit or surplus?

- The EBP includes an explicit estimation of the planned deficit or surplus.
- The planned deficit/ surplus is not explicitly estimated but a reader of the EBP may calculate the planned deficit/ surplus from the information there included.
- The EBP does not include an explicit estimation of the planned deficit or surplus but the Executive provides this to the public upon request.
- Information on the planned deficit/ surplus is not available.
- Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

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Explanatory Notes for Question 17 – the planned sources of financing of the deficit and the planned uses of funds from a surplus

In order to ensure transparency on the financial implications of the budget, information should be included on how the stock of assets or liabilities of the SN government will be affected by the planned budget. Thus, where there is a planned deficit, then the anticipated sources of financing of that deficit should be presented in the EBP. This should include a breakdown showing the planned drawdowns and principal repayments against existing loans, and any planned drawdowns from new loans. Conversely, where there is a planned surplus, then the anticipated use of the surplus capital generated should also be presented, e.g., faster repayment of the principal on outstanding loans, expansion of reserves, etc.

Thus, a transparent budget should present the planned deficit/ surplus and a breakdown of the sources of finance, where there is a deficit, and of the uses of funds where there is a surplus. Question 17 addresses these issues. Where the SN Government is required to maintain a balanced budget, then question 17 would not be applicable.

Q.17

Does the Executive's Budget Proposal or its supporting documentation present a break-down of the proposed sources of financing in the event of a deficit or a breakdown of the planned use of funds in the case of a surplus?

- Yes, the EBP includes a breakdown of the anticipated sources of financing, whenever a deficit is planned or a breakdown of the planned use of funds in the event of a surplus.
- No, the EBP includes no breakdown of the anticipated sources of financing or anticipated use of funds where there are deficits or surpluses planned.
- Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

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Comment by Survey Coordinator:

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Explanatory Notes for Question 18 – presentation of the debt stock:

For those SN governments, which are allowed to incur debt, it is important for citizens to have access to information not only on the planned annual deficit/ surplus but also on the outstanding stock of debt. A high level of debt is an obligation, which must be borne either by a higher level of Government or by the taxpayers within the SN territory. Even where debt obligations are covered by higher levels of government, a high stock of debt will almost inevitably generate restrictions on annual spending by the SN Government.

For these reasons, it is important for citizens to have access to information both on the stock of debt currently outstanding and on the age profile of the interest payments and the repayments of principal due in the future. Many loans are subject to planned changes in interest rates (e.g., due to the completion of an initial “grace period”) and may also have principal repayment schedules, which are structured in instalments. Thus, an apparently low debt stock may have an underlying repayment schedule, which will rapidly increase the burden of debt. Conversely, a re-negotiated schedule of debt repayments may reduce the burden of debt on an apparently high debt stock. Thus, both sets of information are needed. A three-year projection of interest and principal repayments (i.e. the year of the forthcoming budget plus two more years) would normally be considered an appropriate presentation. Many SN governments are prohibited from incurring debt by their legal or regulatory frameworks. In such cases, this question would not be applicable.

Q.18

Does the Executive’s Budget Proposal or any supporting budget documentation present data on the total stock of SN government debt, and on the anticipated repayment obligations (principal and interest) for all debt for a multi-year period (at least 2 years beyond the budget year)?

- a. The EBP and supporting budget documentation include a presentation of the total stock of debt and a presentation of all debt repayment obligations for 2 years beyond the budget year.
- b. The EBP and supporting budget documentation include a presentation of the total stock of debt but the presentation of multi-year debt repayment obligations is not complete.
- c. The EBP and supporting budget documentation include a presentation of the total stock of debt but do not include data on debt repayment obligations beyond the budget year.
- d. No, neither data on the outstanding stock of debt nor on debt repayment obligations are presented.
- e. Not applicable/other (please comment).

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Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

2.2.3. Estimates for Years Prior to the Budget Year

Explanatory Notes for Question 19 – prior year information:

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming fiscal year, which is the Budget Year (BY), on which the EBP presents proposals. It is therefore important

that information for the year preceding the Budget year (BY-1) should be presented in the same format as that utilized for the Budget year itself, so that a direct comparison can be made. Ideally, both presentations should be identical. As a second best, if the main expenditure totals and sub-totals are included for BY-1, a meaningful comparison is usually possible even if a detailed categorization is not included for BY-1.

Q.19

Does the EBP or any supporting documentation present expenditures for the year preceding the Budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

- a. Yes, Expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification)
- b. Yes, Expenditure estimates for BY-1 are presented by 2 of the 3 expenditure classifications.
- c. Yes, Expenditure estimates for BY-1 are presented by 1 of the 3 expenditure classifications.
- d. NO, Expenditure estimates for BY-1 are not presented by any expenditure classifications.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

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Explanatory Notes for Question 20 – prior year information on revenues:

Question 20 also covers the topic of prior-year information but it asks about information provided for revenues rather than expenditures. Just as with expenditures, the ideal is that the presentation of revenue data should be identical for the Budget Year (BY) and the prior year (BY-1) so that a direct comparison can easily be made. The second-best option would be one in which the same totals and sub-totals are included for BY-1 but without the same level of detail included for BY.

Q.20

Does the EBP present estimates of the level of revenue by category (Tax and Non Tax) for the year preceding the budget year (BY-1)?

- a. Yes, revenue estimates for BY-1 are presented by category.
- b. No, revenue estimates for BY-1 are not presented by category.
- c. Not applicable/other (please comment).

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ANSWER

<p>Citation: INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p>Government Comment: INSERT COMMENT WHERE APPLICABLE</p> <p>Researcher Response: INSERT RESPONSE WHERE APPLICABLE</p> <p>Comment by Survey Coordinator: TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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2.2.4. Complementary information on assets and liabilities

Explanatory Notes for Question 21 – extra-budgetary funds:

In most countries, SN Governments administer some funds outside of the legal and administrative framework of the annual budget: these are referred to as extra-budgetary funds. For example, SN Governments may have pension or social security programmes set up as extra-budgetary funds, where the revenues collected and the benefits paid are managed and recorded through a separate fund outside of the budget. User fees for health care, education or other services may also be directly collected and spent at the facility level, without being reflected in the budget. Another example of the use of extra-budgetary funds is found in SN Governments with mineral resources, where revenues from such resources are often channelled through systems outside the annual budget.

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

Comprehensive information on extra-budgetary funds should therefore be made available within the EBP (or in its supporting documentation) in order to permit an appreciation of the government's true fiscal position. This information should cover all such funds and should ideally include both quantitative estimates on the anticipated inflows and outflows and a narrative discussion explaining the basis of the estimates and outlining the management arrangements for the funds.

<p>Q.21 Does the Executive's Budget Proposal or any supporting budget documentation present <u>information on extra-budgetary funds</u> for at least the budget year?</p> <p>(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)</p> <p>a. Yes, information beyond the core elements is presented for all extra-budgetary funds. b. Yes, the core information is presented for all extra-budgetary funds. c. Yes, information is presented, but it excludes some core elements or some extra-budgetary funds. d. No, information related to extra-budgetary funds is not presented. e. Not applicable/other (please comment)</p>	<p>INSERT LETTER ANSWER</p>
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<p>Citation: INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p>Government Comment: INSERT COMMENT WHERE APPLICABLE</p> <p>Researcher Response: INSERT RESPONSE WHERE APPLICABLE</p> <p>Comment by Survey Coordinator: TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Explanatory Notes for Question 22 – financial assets:

Some SN governments may hold significant financial assets in the form of bank deposits of different kinds and/ or shareholdings in private or public companies. Information on such assets should be included in budget documents, ideally with financial assets classified by major type, reflecting their nature.

<p>Q.22 Does the Executive's Budget Proposal or any supporting budget documentation present information on <u>financial assets</u> held by the SN government?</p> <p>(The core information must include a listing of the assets, and an estimate of their value.)</p> <ul style="list-style-type: none"> a. Yes, information beyond the core elements is presented for all financial assets. b. Yes, the core information is presented for all financial assets. c. Yes, information is presented, but it excludes some core elements or some financial assets. d. No, information related to financial assets is not presented. e. Not applicable/other (please comment). <p>Citation: INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p>Government Comment: INSERT COMMENT WHERE APPLICABLE</p> <p>Researcher Response: INSERT RESPONSE WHERE APPLICABLE</p> <p>Comment by Survey Coordinator: TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	<p>INSERT LETTER ANSWER</p>
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Explanatory Notes for Question 23 – non-financial assets:

Virtually all SN governments will hold some non-financial assets, such as landholdings, buildings, and fixed or semi-fixed physical assets, such as industrial plants, vehicles and equipment. Information on such non-

financial assets should also be provided to the public, although it should be recognized that their valuation is problematic, especially in SN Governments that do not practice accrual accounting. In these cases it is considered acceptable to provide summary information in budget documents from a state's register of assets. An "a" response can be selected if substantial information on the assets themselves is provided in the budget documents, even though no valuation of the non-financial assets is provided.

Q.23

Does the Executive's Budget Proposal or any supporting budget documentation present information on non-financial assets held by the SN government?

(The core information must include a listing of the assets by category.)

- a. Yes, information beyond the core elements is presented for all nonfinancial assets.
- b. Yes, the core information is presented for all nonfinancial assets.
- c. Yes, information is presented, but it excludes some core elements or some nonfinancial assets.
- d. No, information related to nonfinancial assets is not presented.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

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Explanatory Notes for Question 24 – expenditure arrears:

Expenditure arrears arise when SN governments have entered into a commitment to spend funds – for example by ordering and taking receipt of goods or by contracting a particular service - but have not made the payment when it is due. Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully the SN Government's financial position. Moreover, the obligation to repay this debt affects the government's ability to afford other activities. This is why accounting systems should permit a systematic recording of arrears and why a discussion and estimate of arrears should normally be included in the Budget.

Public expenditure management laws and regulations will often allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. An expenditure is defined as being in arrears once this legally defined period for payment has been passed. A good accounting system would normally record how far in arrears are the different expenditures, so that an "age profile" of the overall set of expenditure arrears can be generated. In addition to the aggregate value of arrears, this would show the value of arrears outstanding, for example, 30, 60, 90 and 120 days or more in excess of the permitted payment

period. This age profile immediately shows whether the arrears problem is a new or a long-standing problem, whilst also permitting an assessment of the overall financial significance of arrears.

Where outstanding payments have not been made because there is a contractual dispute over the quality of services or goods delivered or over the correct payment due, such payments would normally be placed in “suspense accounts” and would not normally be counted within the estimate of expenditure arrears.

Q.24

Does the Executive’s Budget Proposal or any supporting budget documentation present estimates of the value and the age profile of the expenditure arrears outstanding at the start of the budget year?

- a. Yes, quantitative estimates for all expenditure arrears are presented, along with a narrative discussion.
- b. Yes, quantitative estimates for all expenditure arrears are presented, but a narrative discussion is not included.
- c. Yes, quantitative estimates for some but not all expenditure arrears are presented.
- d. No, information related to expenditure arrears is not presented.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

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Explanatory Notes for Question 25 – contingent liabilities:

Contingent liabilities are potential obligations, which become actual liabilities only when the contingent event occurs and a demand for payment is therefore made. An example of such liabilities is the case of loans guaranteed by the SN government, which might include loans to banks and commercial enterprises owned by the SN Government, or loans to lower tiers of government. Under such guarantees, the SN government will only make a payment if the borrower defaults. Thus, a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, “where feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described.” Meeting or exceeding these criteria will support an “a” response to this question.

Q.25

Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities such as SN loan guarantees or insurance programs?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

- a. Yes, information beyond the core elements is presented for all contingent liabilities.
- b. Yes, the core information is presented for all contingent liabilities.
- c. Yes, information is presented, but it excludes some core elements or some contingent liabilities.
- d. No, information related to contingent liabilities is not presented.
- e. Not applicable/other (please comment).

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Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

Explanatory Notes for Question 26 – International Development Cooperation:

Within Developing Countries, it is common for SN governments to receive grant funding directly from international Development Cooperation agencies, such as the United Nations Development Programme (UNDP). Such grant funding is considered non-tax revenue and its value should be incorporated within the estimates of non-tax revenues (under “grants”), with an estimate of the planned expenditure of such resources also included on the expenditure side of the budget.

Four types of grant funding for SN government may be provided by Development Cooperation agencies. The first two comprise funding in cash and the latter two funding in-kind:

- 1) Unearmarked funding provided as Budget Support grants to the SN Government to help finance the budget as a whole, with no explicit identification of the corresponding expenditure;
- 2) Earmarked project funding provided to support pre-identified development projects, included within the investment budget;
- 3) Funding in-kind to support specific development projects through, for example, the construction of physical infrastructure, or the supply of vehicles or other equipment;
- 4) Technical assistance support, comprising the provision of technical personnel to provide advisory or training support to different activities of the SN Government.

Of these categories, it is especially important that the first two – comprising cash grants – should be recorded in the EBP. Unearmarked funding (category 1) should simply be recorded within the estimates of grants within the non-tax revenues category. Earmarked funding should be recorded as a separate category of non-tax revenues (normally termed, “project grants”) but with the corresponding expenditures also included within the estimates of investment project expenditures. In both cases, details of the agency providing each grant and its value should be included.

Funding in-kind should ideally also be recorded both within non-tax revenues and within the estimates of expenditures, based upon an estimation of the value of the physical assets being provided. This is important because such external assistance immediately increases the stock of non-financial assets held by the SN Government, and would probably require maintenance expenditures in future years.

By contrast, it is less important to record the value of technical assistance being provided to the SN Government. This technical assistance does not generate physical assets and would not normally have recurrent cost implications. Moreover, the estimation of its value is intrinsically more difficult.

Some SN Governments may also receive concessional loan financing either directly from Development Agencies (such as the World Bank or the Regional Development Banks) or through on-lending arrangements with the National Governments. Such concessional loans should be recorded “below the line” as a means of finance of the deficit of the SN government, with the corresponding expenditures included within the estimates of investment project expenditures in the case of project loans, or simply divided between expenditure categories in the case of unearmarked concessional loans, provided as Budget Support.

A major difficulty faced by many SN Governments in attempting to include comprehensive data on development funding within the EBP is that such funding is often provided directly by Development Cooperation agencies to the service delivery units of the SN government, without reference to its Finance Department. In compiling the EBP, the Finance Department may therefore not have full knowledge of the development funding being received by the different departments and institutions of the SN Government. Special efforts therefore need to be made to collect such data – both by writing to the Development Cooperation agencies known to be working within the territory of the SN government and by instructing the departments and institutions of the SN Government to include this information in their budgetary submissions. Even where such special efforts are made, some Development Cooperation funding is likely to remain unrecorded.

Researchers should not therefore expect 100% coverage of such funding within the EBP but it is important that all financially significant sources of funding should be included, most especially in the case of cash funding. In order to judge whether all financially significant sources of development funding are included, researchers will not only need to examine the EBP but also to interview Department of Finance officials and officials of the main spending departments (probably education and health) to assess whether officials are aware of financially significant sources of development funding not included in the EBP.

Only where researchers are confident that the SN Government receives no funding from Development Cooperation agencies should this question be marked as non-applicable. This should be verified through interviews with the Finance Department and with the main spending departments.

Q.26

Does the Executive's Budget Proposal or any supporting budget documentation present information on the sources of donor assistance, both financial and in-kind?

- a. Yes, quantitative estimates of all sources of donor assistance are presented, along with a narrative discussion.
- b. Yes, quantitative estimates of all sources of donor assistance are presented, but a narrative discussion is not included.
- c. Yes, quantitative estimates of some but not all sources of donor assistance are presented.
- d. No, information on the sources of donor assistance is not presented.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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2.2.5 The Budget Narrative & Performance targeting

Explanatory Notes for Questions 27 – links to policy goals:

The budget is the Executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget, i.e., an explicit explanation of how the SN government's policy goals are reflected in its budget choices, including both a narrative discussion and quantitative estimates.

Q.27

Does the Executive's Budget Proposal or any supporting budget documentation explain how the SN government's stated policy goals are to be achieved through the proposed budget (both new proposals and existing policies) for the budget year?

- a) Yes, quantitative estimates on how the SN government's stated policy goals are to be achieved for the budget year through the proposed budget are presented, along with a narrative discussion.
- b) Yes, quantitative estimates on how the SN government's stated policy goals are to be achieved for the budget year through the proposed budget are presented, but a narrative discussion is not included.

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<p>c) Yes, quantitative estimates of how some, but not all, of the SN government's stated policy goals for the budget year are to be achieved through the proposed budget are presented.</p> <p>d) No, information on how the SN government's stated policy goals for the budget year are to be achieved is not presented.</p> <p>e) Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Explanatory Notes for Question 28– non-financial programme targets:

Question 28 examines the non-financial, performance data included within the EBP. It asks whether for each expenditure programme, non-financial data on results are provided and linked with expenditure information. For instance, in education, non-financial data on results could include the number of schools, teachers, and students; and for a social security programme, the data could reflect the number of beneficiaries. Essentially, the budget should disclose not only the amount of money that is being expended on different programmes but also basic data on the planned coverage and quality of services to be provided by those programmes.

Where a detailed programmatic structure is lacking, it will be more difficult to incorporate performance data in the budget but it could nevertheless be included in narrative form within the documents accompanying the main EBP document. To answer “b,” the EBP or supporting documentation must present nonfinancial data on results for all administrative units (or functional totals), but not for all programs (or even for any programs). A “c” response applies if nonfinancial data on results are presented only for some programs and/or some administrative units (or functional totals). Answer “d” applies if no nonfinancial data on results is presented.

It should be noted that the absence of a programmatic structure is not a reason for marking this question as “not applicable”. Indeed, there are no obvious contexts in which non-financial performance targets would be “not applicable”. (Note: individual programs are most likely going to be found within each administrative unit – ministry, department, agency).

<p>Q.28</p> <p>Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?</p>	<p>INSERT LETTER ANSWER</p>
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<p>a. Yes, nonfinancial data on results are provided for all programs within all administrative units (or functional totals).</p> <p>b. Yes, nonfinancial data on results are presented for all administrative units (or functional totals) but not for all (or any) programs.</p> <p>c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functional totals).</p> <p>d. No, nonfinancial data on results are not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Section Three: The Budget Execution process

GENERAL EXPLANATORY NOTES:

This section considers the quality of information, which is available to citizens on the execution of the Budget of the SN Government. It is divided into four sections, examining:

- (i) the process of approval of the Budget, and the opportunities for citizen input into this process;
- (ii) the content of the Enacted (Approved) Budget;
- (iii) The Citizens Budget – its coverage and accessibility; and
- (iv) The availability of information on the Procurement system.

Most of this section is concerned with the Enacted Budget, which is the Budget as approved by the Budget Approving Body for the SN Government, after the submission and review of the SN Executive's Budget Proposal.

Section 2 relating to the content of the Enacted Budget repeats many of the questions included in Section 2.2 in relation to the Executive's Budget Proposal. This is deliberate because it is important that the Enacted Budget should be as close as possible in its content, structure and format to the Executive's Budget Proposal. In this way, comparison between the two documents is simplified, making it possible for citizens to identify the changes introduced to the budget during the review and approval process. In addition, this ensures that

the planning targets introduced into the Executive's Budget Proposal – notably the non-financial performance targets – are also applied during the actual process of execution of the budget.

The explanatory notes for section 3.2 are therefore reproduced from section 2.2. Researchers and other readers already familiar with these explanatory notes may therefore choose to pass directly to the questions themselves.

For each question, four choices of answers are provided. Researchers should mark their answers by placing the appropriate letter (a, b, c, or d) in the column cell to the right of the question. Answer choice "e" corresponds to "Not applicable" and must only be used in exceptional circumstances, where there are special reasons why the question itself should not be applicable. In addition, for all "e" answers, a brief explanation must be provided that indicates why the question is not applicable.

For those questions intended to evaluate the contents of the key budget documents, researchers must use ONLY publicly available budget documents for their answers.

3.1 Approval of the Enacted Budget

3.1.1 Availability, timeliness and dissemination of the Enacted Budget

Explanatory Note for Question 29 - Dissemination mechanisms

Budget transparency requires not only the publication of relevant budget documents but also their active dissemination to as many members of the public as possible. Governments at the SN level face major challenges in disseminating budgetary information in ways that are appropriate to the varied population profiles falling within the SN territory. In order to do this successfully, several means of dissemination need to be used in order to ensure that all members of the public have adequate access to budget documents, regardless of the languages they speak, their levels of literacy, their familiarity with and access to Information Technology, or their proximity to the capital city of the SN territory. Where a large range of different means of dissemination is used, adequate access by different types of citizens is more likely to be achieved. Many SN Governments also face a special concern in meeting the needs of citizens, with low levels of literacy, or at least of technical literacy. In such circumstances, exclusive reliance on written dissemination means will not be effective. For this reason, SN Governments need dissemination strategies, which combine both oral and written means of dissemination. A range of different oral and written dissemination mechanisms will generally provide the combination most suitable to varied population groups, irrespective of their literacy characteristics or access to IT.

In the table below, 6 standard means of dissemination are identified, 3 of which are oral and 3 written. Researchers should assess the quality of dissemination of the EB, in relation to the evidence available on the use of these six dissemination mechanisms.

Oral Dissemination	Written Dissemination
Radio, TV or other audio-visual dissemination means	Internet, including web pages, blogs, and messages/ materials disseminated through social media.
Public meetings, hearings or other means of direct oral dissemination.	Pamphlets, or other summary written versions of budget documents
Information Desks, telephone "help-lines" and other forms of permanent assistance provided orally to citizens.	Printed copies of budget documents, made available at public libraries and/or through government offices.

Q.29

Does the SN government utilize an adequate range of mechanisms for the dissemination of the Enacted Budget?

- a. The SN government uses at least four of the identified dissemination means for the EB.
- b. The SN government uses three of the identified dissemination means, of which at least one is oral and one written.
- c. The SN government uses only 2 mechanisms or 3 purely written mechanisms of dissemination.
- d. The SN government uses one or no dissemination means for the EBP.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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Explanatory Notes for Question 30 – timeliness of approval of the Enacted Budget:

International best practice requires that the Enacted Budget should be approved prior to the start of the fiscal year, to which it pertains. This facilitates the effective execution of the Budget. In addition, the Enacted Budget should be made available to the public as soon as possible after it is approved. This ensures that citizens are aware as early as possible of the different tax measures and expenditure programmes, which have been approved for execution during the fiscal year. This question addresses when the Enacted Budget is made available to the public after its approval.

In addressing this question, researchers should refer to the most recently approved Enacted Budget, unless there are exceptional circumstances – such as natural disasters or national elections – which dictate that the most recent year should not be considered a “normal” year. In such cases, researchers should generally refer to the penultimate year or the most recent year, which can be considered “normal”.

The date of “approval” of the Enacted Budget is the date on which it is passed into law, giving the Executive of the SN Government the authority to execute the budget as enacted. In some countries, the legal framework may require the signature of the Enacted Budget by a higher authority (such as the President) in order to formalize its approval and pass it into law. This would be the relevant date for this question, even though the Budget Approving Body may have issued its approval in advance of this date.

In seeking evidence for this question, researchers would need both to confirm the date of approval of the Enacted Budget and the date of its release to the public. Frequently, the date of approval would be stated in a preamble within the Enacted Budget itself. Alternatively, such information may be obtained from the

records of the Budget Approving Body. These records may also confirm the date of release to the public. Alternatively, the date of release to the public may be obtained from Internet records or library records (in the case of an Enacted Budget, which is freely available to the public) or from the testimony of the officials of the Finance Department of the Subnational government, where it is made available upon request, supported by the testimony of local CSOs or journalists, who have been among the first recipients of the Enacted Budget.

Q.30

When is the Enacted Budget made available to the public?

- a. The Enacted Budget is made available within two weeks after approval.
- b. The Enacted Budget is made available between two weeks and six weeks after the budget has been enacted
- c. The Enacted Budget is made available more than six weeks, but less than three months, after the budget has been enacted
- d. The Enacted Budget is not released, or is released more than three months after the budget has been enacted
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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3.2. The Content of the Enacted Budget

3.2.1 Details of Intergovernmental Transfers in the Enacted Budget

Explanatory Notes for questions on Intergovernmental Fiscal Transfers

In most countries, the funding of Subnational governments involves a mix of revenues from tax and non-tax sources (fees and charges), which the SN Governments collect directly, and grants, which are transferred from the Central Government (or from intermediate levels of government) as Inter-Government fiscal transfers. This set of questions is concerned with the information available to citizens at the SN level in relation to Inter-Government fiscal transfers.

In the countries where SN Governments function as an intermediate level of Government, such Governments will usually play an intermediary role in the IG transfers, having both the right to receive transfers from Central Government, but also the obligation to transfer resources to lower Government tiers (such as municipalities or districts). Consequently, citizens should be entitled to access information on

IG transfers and to compare this information with the IG transfer that SN Governments should be sending to lower government tiers and receiving from Central Governments.

Citizens at the local level require access to three types of information on such transfers:

- Information in the Executive Budget Proposal on the IG transfers budgeted (both to be received and to be transferred)
- Information in the Enacted Budget on the IG transfers approved (both to be received and to be transferred)
- Information in the Year-End Report on the IG transfers actually received and sent.

In addition, citizens should be able to compare the information contained in each of these three documents so as to be able to assess the significance of the differences between the IG Transfers proposed in the EBP, approved in the Enacted Budget, and those actually received (Year-End Report). In principle, access to the 3 documents would allow these comparisons to be made but because their structures may well be different, this may not in practice be so straightforward for an ordinary citizen. For this reason, value is also placed on the inclusion of comparative tables – especially within the End of Year Report.

Intergovernmental transfers are commonly divided between Unconditional Grants made available as a constitutional right to SN Governments, whose use is normally decided by the Executive of the SN government (with the approval of the BAB), and Conditional Grants, whose use is earmarked to specific sectors or to specific spending programmes.

In scoring access to information, primacy is given to three factors: 1) the fact that information is presented in the Budget Documents (Executive Budget Proposal, Enacted Budget and Year-End Report) rather than being available only on request, 2) that information provided is disaggregated to include detail on the nature or type of grants (Conditional transfers, Unconditional transfers, etc.); and 3) that information on I-G transfers is consolidated in one place, rather than being divided between different sections, or different documents.

As with other questions, the option to mark a question “not applicable” exists but this category should, as always be used with extreme caution. The most obvious case where the questions would not be applicable would be where the SN government does not make or receive Intergovernmental transfers. As always, clear explanation for the use of the “not applicable” category should be provided.

The questions in this section draw on the ideas and principles embodied in the indicator on “Transparency of Intergovernmental Fiscal relations” (PI-8) of the Public Expenditure and Financial Accountability (PEFA) framework of January 2011.

Q.31

Does the Enacted Budget include information on the value of I-G transfers to be received for the forthcoming year?

- Information is provided in the Enacted Budget on the value of I-G transfers to be received and it is presented in a disaggregated manner, which distinguishes the main types of grant.

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- b. Information is provided in the Enacted Budget on the value of I-G transfers to be received but this information is not disaggregated between the main types of grants.
- c. Information is not provided in the Enacted Budget on I-G transfers to be received, but the public may access this information from the SN Government upon request.
- d. Information on I-G transfers is not available to the public.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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Q.32

Does the Enacted Budget include information on the value of I-G transfers to be transferred by the SN Government to lower level governments for the forthcoming year?

- a. Information is included in the Enacted Budget on the value of I-G transfers to be made and it is presented in a disaggregated manner, which distinguishes the main types of grant.
- b. Information is included in the Enacted Budget on the value of I-G transfers to be made but this information is not disaggregated between the main types of grants.
- c. The Enacted Budget does not provide information on I-G transfers to be made but the public may access this information from the SN Government upon request.
- d. Information on I-G transfers to be made to lower level governments is not available.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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3.2.2. Enacted Budget: Estimates for the Budget Year and Beyond

Explanatory Notes for Question 33 – use of administrative classification:

Expenditures can be organized according to a variety of budgetary classifications, of which the two most important are by administrative unit, and by economic category (a third, more detailed, categorization is by expenditure programme). Each of these classification systems has different uses. Reporting expenditure by administrative unit indicates which government entity (department or agency) will be responsible for spending the funds and, ultimately, held accountable for their use — it responds to the question of “who spends the money?”

To answer “a,” all expenditures covered in the budget – both recurrent and development - would be assigned by administrative classification, with the exception of special payments, for which separate provision is normally made in the Constitution or in the Public Finance Act - such as debt servicing payments, contributions to pension funds and transfers to lower levels of government, for which no department or agency within the SN government is assigned specific responsibility. A “b” answer would correspond to a situation in which all (relevant) recurrent expenditures are assigned by administrative classification but development (investment) expenditures are not so assigned. A “c” answer would correspond to a situation, in which significant proportions of recurrent expenditure are not pre-assigned in the budget to the administrative units which will spend these resources but rather held within the budget allocation of the Finance Department or of Subnational “Funds”, from which transfers are later made during the budget execution process.

Q.33

Does the Enacted Budget present expenditures classified by administrative unit (that is, by department or agency)?

- a. Yes, administrative units accounting for all expenditures – recurrent and development- are presented.
- b. Yes, administrative units accounting for all expenditures are presented, but development expenditures are not assigned in the EBP to the administrative units responsible for their management.
- c. Yes, administrative units accounting for some expenditures are presented, but a significant proportion remain centrally assigned in the EBP, rather than being assigned to the departments or units, which will manage these expenditures.
- d. Expenditures are not classified by administrative unit.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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Explanatory Notes for Question 34 – use of economic classification:

The Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, purchase of goods or services, or for transfers or subsidies.

To answer “a,” all budget expenditures should be organised by an economic classification system consistent with the international standards, specified in the International Monetary Fund’s Government Finance Statistics Manual 2001 edition (GFSM 2001). In order to confirm that GFSM 2001 standards are being utilised, researchers should refer to the preamble or the explanatory notes to the Enacted Budget, where standards would normally be specified, or alternatively refer to other publicly available documents specifying the standards for budgeting and accounting, or, as a last resort, refer to the testimony of officials interviewed from the Finance Department of the SN government. (In all these cases, a corresponding citation should be inserted in the answer to the Questionnaire.)

The “b” response would apply where all budgeted expenditures are classified according to an economic classification, but this is not consistent with international standards as specified in GFSM 2001.

In contrast, the “c” response would apply if a significant portion of expenditures were not classified by economic category. For instance, the “c” response would be appropriate if expenditures were presented separately for some of the major economic purposes, such as wages and benefits, but a large residual portion of the total budgeted expenditure remained classified as “other” or “unclassified”.

<p>Q.34</p> <p>Does the Enacted Budget present expenditures for the budget year according to their <u>economic classification</u>?</p> <p>a) Yes, expenditures are presented by economic classification. b) No, expenditures are not presented by economic classification c) Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	INSERT LETTER ANSWER
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Explanatory Notes for Question 35 – use of programme definitions:

There is no standard definition for the term “programme,” and the meaning can vary from country to country. It refers to a grouping of expenditures dedicated towards a coherent programme of spending, with a defined set of outputs and a unified management structure. For the purposes of answering the questionnaire, researchers should understand the term “programme” to refer to any level of detail below

the main administrative units (or “votes”), such as the ministry or department. For example, the Ministry of Health’s budget could be broken down into several subgroups, such as “primary health care,” “hospitals,” or “administration.” These subgroups should be considered programmes.

To answer “a,” all expenditures covered in the budget – both recurrent and development - would be assigned by programme, with the exception of payments, for which the SN Government would not have a mandate to assign expenditure to specific programmes and for which separate provision would normally be made in the Constitution or in the Public Finance Act - such as debt servicing payments, contributions to pension funds and transfers to lower levels of government. A “b” answer would correspond to a situation in which all (relevant) recurrent expenditures are assigned by programme but development (investment) expenditures are not so assigned. A “c” answer would correspond to a situation, in which only some expenditures within the Budget are assigned by programme.

NB: A note for francophone countries: “Programmes” are often referred to as *budgets programmes*, and are normally presented in supplementary documents to the main budget. Sometimes, the programme level detail is presented in the *plan comptable* or *plan comptable détaillé*.

Q.35

Does the Enacted Budget or any supporting budget documentation present expenditures classified by programmes?

- a. Yes, programs accounting for all relevant recurrent and development expenditures are presented.
- b. Yes, programs accounting for at least two-third of relevant recurrent and development expenditures are presented.
- c. Yes, programs accounting for less than two-third of relevant recurrent and development expenditures are presented.
- d. No, expenditures are not presented by program.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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Explanatory Note on Questions 36 & 37 – multi-year budgets:

Because budgetary decisions affect the parameters of future budgets, it is useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period is generally considered an appropriate horizon for budgeting and planning. This should include both 3-year estimates of expenditures and 3-year estimates of revenues and other financing sources.

Q.36

Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

- a) Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).
- b) Yes, multi-year expenditure estimates are presented by two of the three expenditure classifications.
- c) Yes, multi-year expenditure estimates are presented by only one of the three expenditure classifications.
- d) No, multi-year expenditure estimates are not presented by any expenditure classification.
- e) Not applicable/other (please comment).

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ANSWER

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

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Explanatory Note for Question 37 – multi-year perspective for revenues:

The level of disaggregation is not considered in this question. As long as the Enacted Budget presents revenue estimates for at least two years following the budget year in question, an "a" answer is appropriate.

Q.37

Does the Enacted Budget or its supporting documentation present estimates of the aggregate level of revenue for a multi-year period (at least 2 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).

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Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

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<u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE <u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION	
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Explanatory Note for Question 38 – disaggregation of tax sources:

Question 38 assesses the degree to which the individual sources of revenues are disaggregated in the budget. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is important that estimates for revenues be disaggregated and displayed based on their sources.

<p>Q.38</p> <p>Does the Enacted Budget or any supporting budget documentation present the <u>different sources of revenue</u> for the budget year (tax and non-tax revenues)?</p> <ul style="list-style-type: none"> a. All sources of revenue are presented according to the specific taxes or fees, from which the budgeted revenues are expected. b. Only major sources of revenue are presented with other taxes and fees grouped together. c. Some sources of revenue are presented, but not all major sources. d. There is no disaggregation of sources of revenue for the SN government. e. Not applicable/other (please comment). <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	INSERT LETTER ANSWER
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Explanatory Notes for Question 39 – the planned fiscal deficit or surplus:

The Enacted Budget should clearly reflect the planned balance between aggregate revenues and expenditures for the forthcoming year, i.e. the fiscal deficit or surplus.

Many SN budgets do not highlight the planned deficit or surplus. This is usually due to two common presentational problems. Either, in the presentation of revenues, the sources of loan finance (to cover the deficit) are combined with the presentation of current revenues (from taxes and grants). Or, in the presentation of expenditures, the amortization of loans (loan principal repayments) is combined with interest payments. When stocks and flows are mixed in these ways, the balance (surplus or deficit)

between the annual flows of revenues and expenditures will not be explicitly calculated. Sometimes the degree of detail in the information presented will be sufficient for the reader to make his/her own calculation of the surplus or deficit. In other cases, information will be aggregated in ways that make this impossible.

Option e) “not applicable” is available but there are no obvious scenarios when such an answer might be appropriate. Many SN governments are legally forbidden to run a deficit but even in these situations, the level of surplus would need to be planned and clearly presented in the Enacted Budget. Where a balanced budget was legally required, then it would be appropriate to show a zero balance between revenues and expenditures.

Q.39

Does the Enacted Budget present an estimate of the planned deficit or surplus?

- a. The Enacted Budget includes an explicit estimation of the planned deficit or surplus.
- b. The planned deficit or surplus is not explicitly estimated but a reader of the Enacted Budget may calculate the planned deficit/ surplus from the information there included.
- c. The Enacted Budget does not include an explicit estimation of the planned deficit or surplus but the SN Executive provides this to the public upon request.
- d. Information on the planned deficit or surplus is not available.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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ANSWER

Explanatory Notes for Question 40 – the planned sources of financing of the deficit and the planned uses of funds from a surplus

In order to ensure transparency on the financial implications of the budget, information should be included on how the stock of assets or liabilities of the SN government will be affected by the planned budget. Thus, where there is a planned deficit, then the anticipated sources of financing of that deficit should be presented in the Enacted Budget. This should include a breakdown showing the planned drawdowns and principal repayments against existing loans, and any planned drawdowns from new loans. Conversely, where there is a planned surplus, then the anticipated use of the surplus capital generated should also be presented, e.g., faster repayment of the principal on outstanding loans, expansion of reserves, etc. Thus, a transparent budget should present the planned deficit/ surplus and a breakdown of the sources of finance, where there is a deficit, and of the uses of funds where there is a surplus. Question 40 addresses these issues. Where the SN Government is required to maintain a balanced budget, then question 40 would not be applicable.

Q.40

Does the Enacted Budget present a breakdown of the proposed sources of financing in the event of a deficit or a breakdown of the planned use of funds in the case of a surplus?

- a. Yes, the Enacted Budget includes a breakdown of the anticipated sources of financing, whenever a deficit is planned or a breakdown of the planned use of funds in the event of a surplus.
- b. No, the Enacted Budget includes no breakdown of the anticipated sources of financing or anticipated use of funds where there are deficits or surpluses planned.
- c. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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Explanatory Notes for Question 41 – presentation of the debt stock:

For those SN governments, which are allowed to incur debt, it is important for citizens to have access to information not only on the planned annual deficit/ surplus but also on the outstanding stock of debt. A high level of debt is an obligation, which must be borne either by a higher level of Government or by the taxpayers within the SN territory. Even where debt obligations are covered by higher levels of government, a high stock of debt will almost inevitably generate restrictions on annual spending by the SN Government.

For these reasons, it is important for citizens to have access to information both on the stock of debt currently outstanding and on the age profile of the interest payments and the repayments of principal due in the future. Many loans are subject to planned changes in interest rates (due to the completion of an initial “grace period”, for example) and may also have principal repayment schedules, which are structured in instalments. Thus, an apparently low debt stock may have an underlying repayment schedule, which will rapidly increase the burden of debt. Conversely, a re-negotiated schedule of debt repayments may reduce the burden of debt on an apparently high debt stock. Thus, both sets of information are needed. A three-year projection of interest and principal repayments (i.e. the year of the forthcoming budget plus two more years) would normally be considered an appropriate presentation.

Many SN governments are prohibited from incurring debt by their legal or regulatory frameworks. In such cases, this question would not be applicable.

Q.41

Does the Enacted Budget present data on the total stock of SN government debt, and on the anticipated debt repayment obligations (principal and interest) for a multi-year period (at least 2 years beyond the budget year)?

- a. The Enacted Budget includes a presentation of the total stock of debt and a presentation of all debt repayment obligations for two years beyond the budget year.
- b. The Enacted Budget includes a presentation of the total stock of debt but the presentation of multi-year debt repayment obligations covers some but not all loans.
- c. The Enacted Budget includes a presentation of the total stock of debt but does not include data on debt repayment obligations beyond the budget year.
- d. No, neither data on the outstanding stock of debt nor on debt repayment obligations are presented.
- e. Not applicable/other (please comment).

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ANSWER

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

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3.2.3. Enacted Budget: Complementary information on assets and liabilities

Explanatory Notes for Question 42 – extra-budgetary funds:

In most countries, SN Governments administer some funds outside of the legal and administrative framework of the annual budget: these are referred to as extra-budgetary funds. For example, SN Governments may have pension or social security programmes set up as extra-budgetary funds, where the revenues collected and the benefits paid are managed and recorded through a separate fund outside of the budget. User fees for health care, education or other services may also be directly collected and spent at the facility level, without being reflected in the budget. Another example of the use of extra-budgetary funds is found in SN Governments with mineral resources, where revenues from such resources are often channelled through systems outside the annual budget.

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

Comprehensive information on extra-budgetary funds should therefore be made available within the Enacted Budget in order to permit an appreciation of the government's true fiscal position. Information should cover all such funds and should include quantitative estimates of anticipated inflows and outflows

plus a narrative discussion explaining the basis of the estimates and outlining management arrangements for the funds.

Q.42

Does the Enacted Budget present information on extra-budgetary funds for at least the budget year?

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

- a) Yes, information beyond the core elements is presented for all extra-budgetary funds.
- b) Yes, the core information is presented for all extra-budgetary funds.
- c) Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.
- d) No, information related to extra-budgetary funds is not presented.
- e) Not applicable/other (please comment)

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ANSWER

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

Explanatory Notes for Question 43 – expenditure arrears:

Expenditure arrears arise when SN governments have entered into a commitment to spend funds – for example by ordering and taking receipt of goods or by contracting a particular service - but have not made the payment when it is due. Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully the SN Government's financial position. Moreover, the obligation to repay this debt affects the government's ability to afford other activities. This is why accounting systems should permit a systematic recording of arrears and why a discussion and estimate of arrears should normally be included in the Enacted Budget.

Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. An expenditure is defined as being in arrears once this legally defined period for payment has been passed. A good accounting system would normally record how far in arrears are the different expenditures, so that an "age profile" of the overall set of expenditure arrears can be generated. In addition to the aggregate value of arrears, this would show the value of arrears outstanding, for example, 30, 60, 90 and 120 days or more in excess of the permitted payment period. This age profile immediately shows whether the arrears problem is a new or a long-standing problem, whilst also permitting an assessment of the overall financial significance of arrears.

Q.43

Does the Enacted Budget present estimates of the value and the age profile of the expenditure arrears outstanding at the start of the budget year?

- a) Yes, quantitative estimates for all expenditure arrears are presented, along with a narrative discussion.
- b) Yes, quantitative estimates for all expenditure arrears are presented, but a narrative discussion is not included.
- c) Yes, quantitative estimates for some but not all expenditure arrears are presented.
- d) No, information related to expenditure arrears is not presented.
- e) Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

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Explanatory Notes for Question 44 – contingent liabilities:

Contingent liabilities are potential obligations, which become actual liabilities only when the contingent event occurs and a demand for payment is therefore made. An example of such liabilities is the case of loans guaranteed by the SN government, which might include loans to banks and commercial enterprises owned by the SN Government, or loans to lower tiers of government. Under such guarantees, the SN government will only make a payment if the borrower defaults. Thus, a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, “where feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described.” Meeting or exceeding these criteria will support an “a” response to this question.

Q.44

Does the Enacted Budget present information on contingent liabilities such as SN loan guarantees or insurance programs?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

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<p>a) Yes, information beyond the core elements is presented for all contingent liabilities.</p> <p>b) Yes, the core information is presented for all contingent liabilities.</p> <p>c) Yes, information is presented, but it excludes some core elements or some contingent liabilities.</p> <p>d) No, information related to contingent liabilities is not presented.</p> <p>e) Not applicable/other (please comment)</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Explanatory Notes for Question 45 – International Development Cooperation:

Within Developing Countries, it is common for SN governments to receive grant funding directly from international Development Cooperation agencies, such as the United Nations Development Programme (UNDP). Such grant funding is considered non-tax revenue and its value should be incorporated within the estimates of non-tax revenues (under “grants”), with an estimate of the planned expenditure of such resources also included on the expenditure side of the budget.

Four types of grant funding for SN government may be provided by Development Cooperation agencies. The first two comprise funding in cash and the latter two funding in-kind:

- 1) Unearmarked funding provided as Budget Support grants to the SN Government to help finance the budget as a whole, with no explicit identification of the corresponding expenditure;
- 2) Earmarked project funding provided to support pre-identified development projects, included within the investment budget;
- 3) Funding in-kind to support specific development projects through, for example, the construction of physical infrastructure, or the supply of vehicles or other equipment;
- 4) Technical assistance support, comprising the provision of technical personnel to provide advisory or training support to different activities of the SN Government.

Of these categories, it is especially important that the first two – comprising cash grants – should be recorded in the Enacted Budget. Unearmarked funding (category 1) should simply be recorded within the estimates of grants within the non-tax revenues category. Earmarked funding should be recorded as a separate category of non-tax revenues (normally termed, “project grants”) but with the corresponding expenditures also included within the estimates of investment project expenditures. In both cases, details of the agency providing each grant and its value should be included.

Funding in-kind should ideally also be recorded both within non-tax revenues and within the estimates of expenditures, based upon an estimation of the value of the physical assets being provided. This is

important because such external assistance immediately increases the stock of non-financial assets held by the SN Government, and would probably require maintenance expenditures in future years.

By contrast, it is less important to record the value of technical assistance being provided to the SN Government. This technical assistance does not generate physical assets and would not normally have recurrent cost implications. Moreover, the estimation of its value is intrinsically more difficult.

Some SN Governments may also receive concessional loan financing either directly from Development Agencies (such as the World Bank or the Regional Development Banks) or through on-lending arrangements with the National Governments. Such concessional loans should be recorded “below the line” as a means of finance of the deficit of the SN government, with the corresponding expenditures included within the estimates of investment project expenditures in the case of project loans, or simply divided between expenditure categories in the case of unearmarked concessional loans, provided as Budget Support.

A major difficulty faced by many SN Governments in attempting to include comprehensive data on development funding within the Enacted Budget is that such funding is often provided directly by Development Cooperation agencies to the service delivery units of the SN government, without reference to its Finance Department. In compiling the EBP, the Finance Department may therefore not have full knowledge of the development funding being received by the different departments and institutions of the SN Government. Special efforts therefore need to be made to collect such data – both by writing to the Development Cooperation agencies known to be working within the territory of the SN government and by instructing the departments and institutions of the SN Government to include this information in their budgetary submissions. Even where such special efforts are made, some Development Cooperation funding is likely to remain unrecorded.

Researchers should not therefore expect 100% coverage of such funding within the Enacted Budget but it is important that all financially significant sources of funding should be included, most especially in the case of cash funding. In order to judge whether all financially significant sources of development funding are included, researchers will not only need to examine the EB but also to interview Department of Finance officials and officials of the main spending departments (probably education and health) to assess whether officials are aware of financially significant sources of development funding not included in the Enacted Budget.

Only where researchers are confident that the SN Government receives no funding from Development Cooperation agencies should this question be marked as non-applicable. This should be verified through interviews with the Finance Department and with the main spending departments.

Q.45

Does the Enacted Budget or any supporting documentation present information on the sources of donor assistance, both financial and in-kind?

- a) Yes, quantitative estimates of all sources of donor assistance are presented, along with a narrative discussion.
- b) Yes, quantitative estimates of all sources of donor assistance are presented, but a narrative discussion is not included.

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<p>c) Yes, quantitative estimates of some but not all sources of donor assistance are presented.</p> <p>d) No, information on the sources of donor assistance is not presented.</p> <p>e) Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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3.2.4 The Budget Narrative & Performance targeting in the Enacted Budget

Explanatory Notes for Question 46 – links to policy goals:

The budget is the Executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget, i.e., an explicit explanation of how the SN government's policy goals are reflected in its budget choices, including both a narrative discussion and quantitative estimates. Because of the changes, which might be incorporated in the Enacted Budget by the Budget Approving Body, it is important that the Executive should update its presentation of the links to policy goals, embodied in the Enacted Budget.

<p>Q.46</p> <p>Does the Enacted Budget explain how <u>the SN government's stated policy goals</u> are to be achieved through the proposed budget (both new proposals and existing policies) for the budget year?</p> <p>a) Yes, quantitative estimates on how the SN government's stated policy goals are to be achieved for the budget year through the proposed budget are presented, along with a narrative discussion.</p> <p>b) Yes, quantitative estimates on how the SN government's stated policy goals are to be achieved for the budget year through the proposed budget are presented, but a narrative discussion is not included.</p> <p>c) Yes, quantitative estimates of how some, but not all, of the SN government's stated policy goals for the budget year are to be achieved through the proposed budget are presented.</p> <p>d) No, information on how the SN government's stated policy goals for the budget year are to be achieved is not presented.</p> <p>e) Not applicable/other (please comment).</p> <p><u>Citation:</u></p>	<p>INSERT LETTER ANSWER</p>
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<p>INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Explanatory Notes for Question 47 – non-financial programme targets:

Question 47 examines the non-financial, performance data included within the Enacted Budget. It asks whether for each expenditure programme, nonfinancial data on results are provided and linked with expenditure information. For instance, in education, non-financial performance targets could include the number of schools, teachers, and students; and for a social security programme, the data could reflect the number of beneficiaries. Essentially, the budget should disclose not only the amount of money that is being expended on different programmes but also basic data on the planned coverage and quality of services to be provided by those programmes. Again, in the light of the changes incorporated in the Enacted Budget by the Budget Approving Body, it is important that the Executive should update its presentation of the corresponding programme targets, embodied in the Enacted Budget.

Where a detailed programmatic structure is lacking, it will be more difficult to incorporate performance data in the budget, but it could nevertheless be included in narrative form within the documents accompanying the Enacted Budget. To answer “b,” the Enacted Budget must present nonfinancial data on results for all administrative units (or functional totals), but not for all programs (or even for any programs). A “c” response applies if nonfinancial data on results are presented only for some programs and/or some administrative units (or functional totals). Answer “d” applies if no nonfinancial data on results is presented.

It should be noted that the absence of a programmatic structure is not a reason for marking this question as “not applicable”. Indeed, there are no obvious contexts in which non-financial data would be “not applicable”. (Note: individual programs are most likely going to be found within each administrative unit – ministry, department, agency).

<p>Q.47</p> <p>Does the Enacted Budget present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?</p> <ul style="list-style-type: none"> a. Yes, nonfinancial data on results are provided for all programs within all administrative units (or functional totals). b. Yes, nonfinancial data on results are presented for all administrative units (or functional totals) but not for all (or any) programs. c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functional totals). d. No, nonfinancial data on results are not presented. 	<p>INSERT LETTER ANSWER</p>
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<p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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3.3. The Citizens Budget

General Explanatory Notes

A Citizens Budget is a simplified version of the budget, prepared either by the Executive directly or by Civil Society Organisations working in collaboration with the Executive. It can take many forms, but its distinguishing feature is that it is designed to reach and be understood by as large a segment of the population as possible, so that the implications of the budget may be widely appreciated and so that citizen input into the overall budget formulation and execution process may be as extensive as possible.

Ideally, a Citizens Budget would be prepared both for the Executive's Budget Proposal and for the Enacted Budget as approved by the Budget Approving Body. However, the preparation of a Citizens Budget is technically demanding and it is rare even at the National level for a Citizen's version of the EBP to be produced. Moreover, in order for a Citizens version of the EBP to be useful, it must be produced within a very short period after the public release of the EBP, so as to be utilised during the process of review and approval of the EBP. The combination of these technical and time constraints mean that it would generally be advisable at the Subnational level to direct efforts towards the preparation of a Citizens Budget version of the Enacted Budget. Such a document could be used by citizens throughout the year to assess the execution of the budget, and also at the close of the year as a point of comparison with the Year-End Report.

Therefore, the following questions refer only to the availability of a Citizens Budget version of the Enacted Budget. Question 48 addresses the existence and content of the Citizens Budget version of the Enacted Budget, while question 49 addresses the efforts made by the SN authority to disseminate it.

Explanatory Notes for Question 48 – Content of the Citizens Budget

In order to comply with emerging good practice, a Citizens Budget should include the following six elements:

- (i) Revenue information;
- (ii) Expenditure information, in particular identifying the priority policies to which resources have been assigned;
- (iii) Sector specific information, including in particular information on the existence of targeted programmes to address critical challenges (for example, a programme to reduce maternal mortality, or to improve market access);
- (iv) A description of the budget process;

- (v) Clear contact information for citizens who want to know more about the budget; and
- (vi) Economic assumptions upon which the budget figures are based.

The assessment requires a minimum number of these topics to be included in the Citizens Budget in order to get a “c” (2/6), a “b” (4/6), or an “a” (all 6). If the Citizens Budget is not released or does not contain at least two of these six elements, response “d” must be selected.

Q.48

What information is included in the Citizens Budget?

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

- a. The Citizens Budget provides information beyond the core elements.
- b. The Citizens Budget provides the core information.
- c. The Citizens Budget provides information, but it excludes some core elements.
- d. The Citizens Budget is not published.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

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ANSWER

Explanatory Notes for Question 49 – Dissemination of the Citizens Budget

See the Explanatory Notes on dissemination mechanisms, included in Section One and also reproduced in 2.1 and 3.1. In the table below, 6 standard means of dissemination are identified, 3 of which are oral and 3 written. Researchers should assess the quality of dissemination of the Citizens Budget version of the Enacted Budget, in relation to the evidence available on the use of these six dissemination mechanisms.

Oral Dissemination	Written Dissemination
Radio, TV or other audio-visual dissemination means	Internet, including web pages, blogs, and messages/materials disseminated through social media.
Public meetings, hearings or other means of direct oral dissemination.	Pamphlets, or other summary written versions of budget documents
Information Desks, telephone “help-lines” and other forms of permanent assistance provided orally to citizens.	Printed copies of budget documents, made available at public libraries and/or through government offices.

Q.49

Does the SN government utilize an adequate range of dissemination mechanisms for the dissemination of the Citizens Budget version of the Enacted Budget?

- a. The SN government uses at least four of the identified dissemination means for the Citizens Budget.
- b. The SN government uses three of the identified dissemination means, of which at least one is oral and one written.
- c. The SN government uses only 2 mechanisms or 3 purely written mechanisms of dissemination.
- d. The SN government uses one or no dissemination means for the Citizens Budget.
- e. Not applicable/other (please comment).

INSERT
LETTER
ANSWER

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

3.4 The Procurement System

General Explanatory Notes

Significant public spending takes place through the public procurement system at the Subnational levels. A well-functioning procurement system ensures that the inputs and the physical facilities required for the delivery of public services are procured economically, by ensuring that procurement processes are transparent and competitive. In addition, effective procurement processes at SN level can help to promote the development of competitive suppliers and contractors within the local private sector. Good public access to information on SN procurement processes can therefore be doubly useful.

While the legal and regulatory framework for procurement may vary significantly between countries and regions, it is now generally agreed that the most effective systems are characterized by the presence of three essential requirements:

- A legal and regulatory framework, which is comprehensive in its coverage and which systematically promotes competition and transparency;
- Guaranteed channels for public access to information at different stages of the procurement process; and
- An independent procurement complaints review body, with the authority to resolve disputes quickly and the requirement to do so transparently.

A further feature of effective procurement systems is the systematic engagement, as part of the control system, of the private sector and civil society actors, who are key stakeholders in the outcome of the procurement process. In order to ensure the effective engagement of private sector bodies and citizens as

part of the procurement control process, public access to information is required at four stages of the procurement process:

- (i) At the time when the departments and agencies of the SN government finalize their annual procurement plans;
- (ii) At the time when SN procurement tenders are launched;
- (iii) At the time when SN procurement tenders are awarded; and
- (iv) At the time when decisions of the independent Procurement Complaints Review body are reached, regarding disputes or complaints raised in relation to SN procurement processes.

Public information at each of these points allows local citizens and private sector operators to assess the transparency and fairness of the procurement system and to raise their concerns through their elected representatives, the media and where appropriate, through the judicial system, where the system is observed to be deficient. Even where specific aspects of the procurement process (such as the treatment of complaints) are managed at higher levels of government, information should be demanded at the SN level in order to ensure transparency and accountability.

The ideal level of information at each of these stages in the procurement process would require, firstly, that information should be consolidated, so as to be made available from a single known point of contact, rather than being spread across a variety of sources. Secondly, it should be made available on a timely basis.

As with other questions, the option to mark a question “not applicable” exists but this category should be used with extreme caution. There are few situations, in which any of these questions would not be relevant at the SN level. Hence, as always, clear explanation for the use of the “not applicable” category should be provided.

The questions in this section draw on the ideas and principles embodied in the OECD-DAC’s Methodology for Assessing Procurement Systems (MAPS) of February 2010 and on the revised indicator on procurement (PI-19) of the Public Expenditure and Financial Accountability (PEFA) framework of January 2011.

Explanatory Note: Question 50 – Annual Procurement Plans:

The Annual Procurement Plan is a document showing all the purchases of goods (vehicles, office equipment, school text-books, etc.) and the contracting of services (construction, consultancy, etc.), which are planned by the different departments of the SN Government for the forthcoming year, and which will need to be sourced externally following public acquisition procedures. The Annual Procurement Plan should also generally include an indication of the procedures expected to be followed for each purchase/contract (open tender, restricted tender, etc.). In most SN governments, departmental annual procurement plans will be prepared at the beginning of the fiscal year by each entity requiring to make procurements, and then consolidated into an aggregate Annual Procurement Plan for the whole SN government, either by the Finance Department or by the authority responsible for monitoring and regulating procurement processes within the SN.

Annual Procurement Plans are produced, in the first instance, for internal management purposes – as a method of organizing procurement activities and helping to plan for their cash-flow requirements. However, advance notice to potential suppliers of goods and services facilitates the preparation by the suppliers of the necessary logistical and preparatory arrangements and therefore conveys an important advantage in the tendering process, if it is given on a discretionary or discriminatory basis. Public

acquisitions should comply with the principles of transparency and fairness, with supplying entities given equal access to information. Therefore, the open publication of the Annual Procurement Plan is necessary to ensure fair competition.

In addition, citizens, as well as potential suppliers, should have access to the SN Government acquisition plan in order to monitor the transparency and fairness of the public procurement process. For the purposes of transparency and access to information, SN Government should consolidate this information in a single Annual Procurement Plan for all its departments and agencies, and should make this available through well-known sources of information (the official gazette, a designated web-site, a public board, the edition of the local newspaper on a specific day of the week/ month).

Q.50

Does the SN Government make available to the public, from a known source, a consolidated Annual Procurement Plan, which includes procurement information for all relevant SN departments and agencies?

- a. The Annual Procurement Plan is publicly available from a known source and includes consolidated information for all relevant SN departments and agencies.
- b. The consolidated Annual Procurement Plan is publicly available, from a known source, but it does not include the procurement plans of all departments and agencies, and therefore is not complete.
- c. There is no consolidated Annual Procurement Plan made available from a known source but information can be accessed from the procuring entities (the departments and agencies of the SN government).
- d. There is no information publicly available on the annual procurement plans to be implemented by the SN departments and agencies.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

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Explanatory note on question 51 – launch announcements for public tenders:

Public procurement may take place through a variety of methods but, in general, legislation should favour public tendering by open competition whenever possible. In order for all potential tenderers to be made aware of open tenders at the time when they are launched, the best practice approach for an SN government is to publicize tender launches, from one known location or set of sources (e.g., one designated web-site, an official gazette, a specific noticeboard or range of noticeboards, a specific section of a local newspaper, a specific radio programme) rather than simply allowing each procuring entity to

publicize their own tender launches using diverse sources. For small companies wanting to participate in local tenders, the search costs of continuously checking different sources may be prohibitive. Similarly, for civil society organizations wishing to monitor the transparency and regularity of public procurement processes, the use of one source of tender announcements will simplify the monitoring process very considerably. For largely the same reasons, it is important that tender launches should be publicized within the territory of the SN Government, or utilizing a web-site known to citizens of the SN government.

In sourcing information on the publication of tenders, researchers should examine the relevant procurement legislation and regulations, and should also verify that regulations are indeed respected by consulting the publication site (the relevant web-site/ gazette/ newspaper, etc.). A citation detailing the source of information is especially important in order to confirm what the actual practise in respect of the publication of tenders is.

Q.51

Does the SN Government make available to the public in its territory from a known information source the launch announcements of open public procurement tenders by its departments and agencies?

- a. Information on the launch of all public tenders by SN departments and agencies is made publicly available within the territory of the SN government from a known source.
- b. Information on the launch of most public tenders by SN departments and agencies is made publicly available within the territory of the SN government from a single known source, but a minority of tenders is separately published by departments and agencies.
- c. There is no single pre-established source for the publication of tenders within the territory of the SN government but information can be accessed from the procuring entities (the departments and agencies of the SN government).
- d. No announcements of public tenders are made within the territory of the SN government.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

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Explanatory note on question 52 – timely announcements of tender awards:

Citizens and potential suppliers of government services should have access to information detailing which companies or organizations have been awarded the different tenders launched by the SN government. Ideally, this information should include: name of the winning company, amount of the bid, duration of the contract and score achieved in relation to the other bidders. The prompt dissemination of this information allows citizens and other bidders to make an assessment on whether the award appears to be in any way inappropriate and whether a complaint should therefore be registered. It also allows citizens to monitor whether there appear to be indications of conflicts of interest or collusion between tenderers or other such malpractices, which should be brought to the attention of the relevant regulatory body or audit institution.

The process of publication of information on tender awards should therefore fulfil two requirements, which are jointly assessed in question 52:

- Firstly, is information on contract awards readily available to all SN citizens by virtue of being regularly published at the same, known location or set of information sources?
- Secondly, is information on contract awards published in time for an appeal against the award process to be launched where necessary?

In most cases, tender awards would need to be publicized prior to the signature of the corresponding contract in order to permit an appeal to be launched, where relevant, but the relevant legislation should be consulted by the researcher in addressing this question.

Q.52

Is information on the award of public tenders made available in the territory of SN Government from a regular known location or set of information sources in time for an appeal, where relevant?

- a. Information on the award of all public tenders is made publicly available within the SN territory from a known source in time for an appeal, where relevant.
- b. Information on the award of some but not all public tenders is made available within the SN territory from a known source, with some tender awards separately published by departments and agencies, but all in time for an appeal, where relevant.
- c. There is no single pre-established source for the publication of tender awards within the SN Government territory but information can be accessed from the procuring entities (the departments and agencies of the SN government) in time for an appeal, where relevant.
- d. No public announcements of tender awards are made or they are made too late to appeal against award decisions.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT
LETTER
ANSWER

INSERT COMMENT WHERE APPLICABLE <u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE <u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION	
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Explanatory Note on question 53 – dispute resolution mechanisms:

Public procurement systems should include a dispute resolution mechanism to which citizens or tender participants may refer in order to register complaints or, if necessary, appeal against the award of a tender. The dispute resolution mechanism must follow a set of pre-defined procedures, which would normally be established in law, as a way of ensuring the transparency and fairness of the process, whilst preventing the lodging of spurious complaints.

In most SN governments, disputes would be addressed initially by the procuring authority. If the complaint could not be satisfactorily resolved, it would then be submitted to an external Procurement Complaints Review body. Good practice requires this review body to be a public entity, independent from the procuring entity itself and from the SN government administration to which the procuring entity belongs. For example, it might be an independent commission operating at the SN level, or a regulatory authority from a higher tier of government, or an independent commission with a national jurisdiction. This question is concerned with this second external review process.

From the perspective of transparency and accountability, the key requirement is that the decisions emerging from the external dispute resolution process should be accessible to the general public within the SN territory in question. This helps both to ensure the impartiality of the dispute resolution process, and also to ensure that the decisions of the review body are respected at the SN level. Accessibility requires that decisions should be made available on a timely basis – certainly within 30 days of the ruling but ideally less – and secondly that they should be made available from a known source.

Q.53

Are the decisions of the external Procurement Complaints Review body regarding disputes over SN procurement processes made available on a timely basis to the citizens of the SN territory through a known source?

- All the decisions of the Procurement Complaints Review body are made publicly available at a known source of information, within 30 days.
- Most decisions of the Procurement Complaints Review body are made publicly available at a known source of information, within 30 days, but a minority of decisions are publicized in different places.
- There is no single pre-established source for the publication of the decisions of the Procurement Complaints Review body but all such decisions can be accessed from the procuring entities within 30 days.
- Decisions of the Procurement Complaints Review body are not made publicly available or they are communicated more than 30 days after their adjudication, or no external Procurement Complaints Review body exists.
- Not applicable/other (please comment).

INSERT
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ANSWER

<p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Explanatory Note on question 54 – external observation of tender award process:

International good practise on procurement requires that there should be provision made for external observers to monitor the process of the opening and award of tenders. This can help to ensure that correct procedures are followed.

Legal or regulatory provision may be made for external observers in a variety of ways:

- The most open and transparent way to make provision for external observers is to require both that the tender award process should be open to the public (either through their physical attendance or by broadcasting procedures through radio, television or internet streaming) and that prior announcement of tender award processes should be made. The existence of such a process would merit an “a” score for this question.
- Alternatively, specifically designated external observers may be invited to attend tender award processes. Those external observers (CSOs, professional associations, the media) would normally be drawn from standing lists, which would specify the types of tender processes, which observers would wish to attend (tenders in specific locations, or for specific sectors or particular types of procurement). Where a formal, non-discriminatory invitation process of this kind existed, a “b” score would be awarded to this question.”
- Thirdly, provision may be made for external observers to attend tender awards upon prior request, which would merit a “c” score against this question.

It should be stressed that legal or regulatory provision for external observation of tender processes may exist but there may not have been CSOs, other associations or media representatives available to take advantage of such provisions. This question assesses whether the relevant legal or regulatory provisions exist and whether the relevant department or agency of the SN government has respected the requirements of those provisions, in the sense of opening up processes to public participation and/ or inviting observers selected through a pre-defined and non-discriminatory process.

Thus, evidence should first be identified that relevant legal or regulatory provisions exist and secondly that the relevant SN department has respected the requirements of those provisions. (Evidence of the latter may be found within the minutes of tender award processes, through public announcements of award processes in the press or other media, through copies of letters inviting external observers, or through the testimony of external observers.)

Q.54

Is there a legal or regulatory provision for external observation of tender award processes within the SN government, and are the requirements of these laws and regulations respected by the SN authority?

- a) Legal or regulatory provision exists and is respected, requiring that tender award processes should be open to the public and that they should be pre-announced.
- b) Legal or regulatory provision exists and is respected, requiring that external observers, selected through a pre-defined and non-discriminatory process, should be invited to tender award proceedings.
- c) There is no specific legal or regulatory provision but external observers may attend tender award proceedings upon request, and there is evidence that this has happened within the most recently completed fiscal year.
- d) No such legal or regulatory provision exists and there is no evidence of external observers attending tender award proceedings within the most recently completed fiscal year.
- e) Not applicable/Other (Please comment)

INSERT
LETTER
ANSWER

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

Explanatory Note on question 55 – external observation of implementation of public works contracts:

Public works contracts are a major source of corruption in SN governments around the world. More careful attention to the transparency and competitiveness of tender processes can help to address this but, often mismanagement and malpractice arises during the implementation process itself. This may be, for example, because sub-standard materials are used or because design requirements are not properly followed. In principle, such practices should be avoided through proper supervision of the work by the SN authority or by an independent consultant engineer or architect. However, the quality of supervision is often weak, either because of negligence or inadequate technical knowledge on the part of the works supervisor and/or the consultant engineer, because of intimidating tactics by the contractor or because of collusion between the contractor and the works supervisor/ consultant engineer. To a significant degree, the risks of each of these problems occurring can be minimised through making provision for external observation of the implementation of public works contracts.

In order for external observation of implementation of public works to be effective, such a process should generally operate through the use of a pre-defined standing list of CSOs and other interested parties, who would be invited to observe implementation processes. Beyond basic steps to ensure that these CSOs and other parties were aware of the health and safety implications of being on construction sites and adequately insured against potential accidents, access to these standing lists should be open and non-

discriminatory. Provision for such external observation should be backed by law (national or local) or by regulations and should be binding upon all parties engaged in publicly financed works projects, and should ideally be applicable to all stages of implementation. Question 57 measures each of these dimensions.

In some cases, SN governments may operate arrangements, which, on the surface, appear more open than the use of standing lists – for example, any citizen might be allowed to observe the implementation of public works. Yet, in practise, apparently open arrangements of this kind are likely to face difficulties in implementation because contractors could legitimately raise concerns over the safety of such observers or over the potential disruption to the construction if the numbers of observers were to be substantial. The effectiveness of the observation process would also be higher if the CSOs or others involved had relevant qualification and experience, which is more likely to be the case within a standing list arrangement. For these reasons, these more ‘*ad hoc*’ arrangements would only score “c” in Question 55.

In terms of obtaining evidence to support the answers to this question, the requirements would be (i) to identify the specific legal or regulatory texts that make formal provision for external observation and monitoring; and (ii) to collect further evidence that the SN authority is complying with these legal provisions (e.g., letters of invitation to external observers, relevant announcements in newspapers, bulletins, public boards or internet web-sites or alternatively testimony from SN officials supported by testimony from CSOs or other parties acting as external observers.)

Q.55

Is there a legal or regulatory provision for external observation of the implementation of public works contracts awarded by the SN, and are the requirements of these laws and regulations respected by the SN authority?

- a) Legal or regulatory provision exists and is respected, requiring that designated CSOs, selected in a non-discriminatory manner, should be invited to observe the full implementation process for any publicly funded public works.
- b) Legal or regulatory provision exists and is respected, requiring that designated CSOs, selected in a non-discriminatory manner, should be invited to observe the implementation process for publicly funded public works, but provisions are limited only to certain works projects and/or only to certain stages of the construction process.
- c) Within the most recently completed fiscal year, provision has been made for external observation of the implementation of certain public works contracts of the SN government but the arrangement is not based on the invitation of designated CSOs and/ or in other ways falls short of the requirements of good practice in this area.
- d) No such legal or regulatory provision exists and there is no evidence of external observers monitoring implementation of public works contracts within the most recently completed fiscal year.
- e) Not applicable/Other (Please comment)

INSERT
LETTER
ANSWER

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

<p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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Section Four: Budget Reporting and Oversight

GENERAL EXPLANATORY NOTES:

This section considers the quality of information, which is available to citizens of the SN Government through the reports on budget execution and the related processes of external oversight of the budget. It is divided into three sections, examining 1) the processes of oversight over Service Delivery; 2) the quality of information provided to citizens through the Year-End Report (YER); and 3) the quality of information provided through external Audit Reports and the quality of public engagement in the review of external Audit Reports.

As elsewhere, answer choice “e” corresponds to “Not applicable” and must only be used in exceptional circumstances. In addition, for all “e” answers, a brief explanation must be provided that indicates why the other answer choices (a, b, c, or d) are not applicable.

4.1. Service Delivery Oversight

Public services provided by Subnational governments vary significantly in nature, type and complexity across government tiers and country contexts. This section tries to assess the extent to which citizens have the necessary information for the following purposes:

- To benefit from the services that are available;
- To understand who is responsible for the delivery of the service
- To access information on the resources allocated and spent on the delivery process
- To complain when they are not and/or to lobby for better or more appropriate services.

4.1.1 Information on services delivered by the SN Government

Explanatory note on question 56 – information on SN Government services:

This question addresses the availability of information on the services that are a direct responsibility of the SN Government. The distribution of competences among government tiers is laid out in law. For those services where it is established that provision is to be the responsibility of the SN Government, there should be information on the nature of services provided, by which entity and at which location or locations. Ideally, it should be consolidated at a single source, so as to simplify citizens’ access to this information.

Where information available covers not only the services under the competence of the SN government, but also other services available in the SN territory provided by higher tiers of Government, an “a” will be scored.

Q.56

Does the SN Government make available information on the range of services, to which citizens are entitled under the competences attributed to it?

- a. There is information available, consolidated at a single source, on the full range of SN services and on the key services provided by higher levels of government within the SN territory.
- b. There is information available on the full range of SN services consolidated at a single source but this does not include information on services provided by higher levels of government within the SN territory.
- c. Information is available on the range of SN services but it is provided by each responsible department or agency and not consolidated at a single source.
- d. There is no easily accessible information available on the range of services provided by the SN government.
- e. Not applicable/other (please comment).

INSERT
LETTER
ANSWER

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION

4.1.2 Information on conditions of entitlement to services

Explanatory note on question 57 – conditions of entitlement to services:

Not all SN Government services are available to all citizens within the territory and not all are available for free. The conditions of entitlement specify the basis on which services are provided and to which citizens. The details of these conditions of entitlement are therefore key information to be accessed by citizens. These conditions should explain clearly to which citizens the service is targeted and the conditions that citizens need to fulfil in order to gain access. (e.g., citizens may need to be registered locally or to pass certain tests to have access to services such as educational scholarships, certain services may be limited only to citizens falling within specific income groups, etc.).

Answers provided assess whether information is complete (no service is missing and all conditions for entitlement are included), and consolidated (all information is accessible via a single source).

Q.57

Does the SN Government make available to its citizens information on the conditions for entitlement to services that are under its direct competence?

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<p>a. There is full information available on conditions for entitlement consolidated at a single source.</p> <p>b. There is information available on conditions for entitlement but it is provided by the departments or agencies responsible for the services and is not consolidated at a single source.</p> <p>c. There is information available on conditions for entitlement but it is only accessible upon request from the departments or agencies responsible.</p> <p>d. No - information on service entitlements is not available or is limited in its coverage.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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4.1.3 Information on avenues for citizen participation

Explanatory note on question 58 – avenues for citizen input:

Citizens' opinions are essential to design services that are responsive to citizen's needs. Therefore, citizens need information on the mechanisms and procedures to register complaints/deficiencies in services or to contribute to the process of service development with ideas, suggestions or advice. Although the front line service provider (school, health unit, hospital, water company) may have its own participation mechanisms, appropriate participation channels should also be made available to the public through the SN Government itself.

<p>Q.58</p> <p>Is there an established mechanism for citizens to <u>register complaints or to provide suggestions</u> about SN Government services?</p> <p>a. There is an established mechanism for registering complaints/comments available at a single source.</p> <p>b. There are established mechanisms for registering complaints/comments but not consolidated at a single source.</p> <p>c. There are mechanisms for registering complaints/comments but they are only accessible upon request</p> <p>d. No - information is not available or there is no mechanism established.</p> <p>e. Not applicable/other (please comment).</p>	<p>INSERT LETTER ANSWER</p>
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<p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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4.1.4 Access to budget information for the service facility level

General Explanatory Notes

While access to budgetary documents should allow the citizen a reasonable understanding of the overall use of resources by his or her SN Government, this will probably not be sufficiently detailed to permit any judgment on the use of resources by service managers. Information in budget documents would not normally be disaggregated to the facility level and in most cases it would be impractical to attempt to do so, given the numbers of service facilities, which are likely to fall under the competence of SN governments. Yet, for many citizens, their primary concern may be precisely with the quality of financial management in those services, which they use most often – such as schools and health centres. They will want to know both that these service facilities are receiving the resources budgeted for them and that they are spending their resources in an appropriate and efficient manner.

This section examines the quality of access to information on budgetary allocations for service facilities and on actual spending by these facilities. Specifically, it considers the availability of such information in relation to education and health facilities, given that these are services which fall within the competences of most SN Governments, and which represent the services used most frequently by their citizens. This information should normally be available to citizens either at the actual point of service delivery (i.e. at the facility itself) or from the SN Department responsible for providing the service (the health or education department). In some SN Governments, it might also be published or made available by the Finance Department.

Two types of facility-level financial information should ideally be made available to citizens at one of these three points:

- The overall annual allocation for the service facility, as approved in the Enacted Budget;
- The actual level of spending by the service facility, in comparison with its annual budget.

Ideally, this information would be provided with a simple breakdown by economic classification (e.g.; salaries, other personnel-related costs, supplies, operations & maintenance, purchase of equipment.) In this way, a judgment on the quality of spending could also be reached by identifying areas of over and under-spending.

It is important that such information should be readily available. In particular, it should be made available through information sources to which all users would have direct access without making a specific request. For example, information might be provided through a web page showing details by facility, a standard mailing sent to known service users (such as the parents of children at school, or those registered with a health centre), or at the facility level through a pamphlet or small leaflet available at the waiting lounge, or a display on a centrally located noticeboard or billboard, etc. The provision of such information only upon request would be considered a second-best option.

Explanatory notes on questions 59-60 – Budgetary information for education facilities

Questions 59 & 60 consider the availability of information on budgets and spending by education facility. Researchers should first identify which education services fall within the competence of the SN Government being surveyed, and then define which education facilities are most utilized by citizens at this level. For example, intermediate levels of Subnational Government (i.e., State, Regional or Provincial Governments) might be responsible for tertiary, technical and vocational education in addition to secondary education, but secondary schools would be the more numerous and more widely utilized facilities and would therefore be the focus of analysis. By contrast, Local or District Governments might have responsibilities for primary and secondary education, but primary school facilities are likely to be more numerous and more widely utilized.

Once the type of facility for which budgetary information would be sought is defined, researchers should first examine if the relevant information is published by the Education Department or the Finance Department of the SN government, e.g. at a web-site or through a report issued at this level. If not readily available, then researchers should visit three individual schools to see if such information is published at that level, e.g. on a noticeboard or in a newsletter to parents. Only where all three schools visited can provide the relevant information, should it be considered publicly available.

If not publicly available at either of these levels, then a request for the information should be made: where it can be provided within 10 working days for all relevant facilities by the Education Department/ Finance Department or for the facilities themselves by the three schools visited, then it is considered 'available upon request'. In each case, the source of the information should be recorded.

With regard to budgets, what is sought is the school-level budget for the current year, for which approval would have been provided through the Enacted Budget.

In relation to spending data, two options are presented in order to take account of the variety of financial management and accounting systems likely to exist across SN Governments:

- Either there should be a report on spending by school for the current year to date;
- Or there should be a report on spending by school for the most recent fiscal year, for which a Year-End Report has been issued.

Q.59

Is there information available for individual schools on the funding budgeted for the current year (based on the Enacted Budget)?

- a. Information on the budgeted funding by school is readily available and is detailed by economic classification.
- b. Information on the budgeted funding by school is readily available but it does not

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<p>provide a breakdown by economic classification.</p> <p>c. Information on the budgeted funding by school is available within 10 working days but only upon request.</p> <p>d. No, information on budgeted funding by school is not available.</p> <p>e. Not applicable/other (please comment).</p> <p>Citation: INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p>Government Comment: INSERT COMMENT WHERE APPLICABLE</p> <p>Researcher Response: INSERT RESPONSE WHERE APPLICABLE</p> <p>Comment by Survey Coordinator: TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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<p>Q.60</p> <p>Is there information for individual schools on <u>expenditure by school</u>, either for the current year or for the most recently reported fiscal year?</p> <p>a. Information on actual spending by school is readily available and is detailed by economic classification.</p> <p>b. Information on spending by school is readily available but it is not detailed by economic classification.</p> <p>c. Information on spending by school is available within 10 working days but only upon request.</p> <p>d. No, information on spending by school is not available.</p> <p>e. Not applicable/other (please comment).</p> <p>Citation: INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p>Government Comment: INSERT COMMENT WHERE APPLICABLE</p> <p>Researcher Response: INSERT RESPONSE WHERE APPLICABLE</p> <p>Comment by Survey Coordinator: TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	<p>INSERT LETTER ANSWER</p>
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Explanatory notes on questions 61-62 – Budgetary information for health facilities

Questions 61 & 62 consider the availability of information on budgets and spending by health facility. Researchers should first identify which health services fall within the competence of the SN Government being surveyed, and then define which health facilities are most utilized by citizens at this level. For example, intermediate levels of Subnational Government (i.e., State, Regional or Provincial Governments) might be responsible for a teaching and referral hospital in addition to a number of second tier hospitals, but second tier hospitals would be the more numerous and more widely utilized facilities and would therefore be the focus of analysis. By contrast, Local or District Governments might have responsibility for a third tier hospital, but primary health centres are likely to be more numerous and more widely utilized.

Once the type of facility for which budgetary information would be sought is defined, researchers should first examine if the relevant information is published by the Health Department or the Finance Department of the SN government, e.g. at a web-site or through a report issued at this level. If not readily available, then researchers should visit three individual health facilities to see if such information is published at that level, e.g. on a noticeboard or in a leaflet made available to all waiting patients. Only where all three facilities visited can provide the relevant information, should it be considered publicly available. If not publicly available at either of these levels, then a request for the information should be made: where it can be provided within 10 working days for all relevant facilities by the Health Department/ Finance Department or for the facilities themselves by the three health centres/ hospitals visited, then it is considered 'available upon request'. In each case, the source of the information should be recorded.

With regard to budgets, what is sought is the facility-level budget for the current year, for which approval would have been provided through the Enacted Budget.

In relation to spending data, two options are presented in order to take account of the variety of financial management and accounting systems likely to exist across SN Governments:

- Either there should be a report on spending by health facility for the current year to date;
- Or there should be a report on spending by health facility for the most recent fiscal year, for which a Year-End Report has been issued.

Q.61

Is there information available for individual health facilities on the funding budgeted for the current year (based on the Enacted Budget)?

- a. Information on the budgeted funding by health facility is publicly available and is detailed by economic classification.
- b. Information on the budgeted funding by health facility is publicly available but without a breakdown by economic classification.
- c. Information on the budgeted funding by health facility is available within 10 working days but only upon request.
- d. No, information on budgeted funding by health facility is not available.
- e. Not applicable/other (please comment).

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Citation:

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Government Comment:

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Researcher Response:

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Q.62

Is there information on expenditure by health facility, either for the current year or for the most recently reported fiscal year?

- a. Information on actual spending by health facility is publicly available and is detailed by economic classification.
- b. Information on spending by health facility is publicly available but it is not detailed by economic classification.
- c. Information on spending by health facility is available within 10 working days but only upon request.
- d. No, information on spending by health facility is not available.
- e. Not applicable/other (please comment).

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Citation:

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Government Comment:

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Researcher Response:

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4.2. Year-End Reporting

The Executive's Year-End Reports are key accountability documents. In many SN governments, the Executive issues one Year-End Report that consolidates information on all expenditures, 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 for the year N+2 (where the Year-End report corresponds to year N.). 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 or other Budget Approving Body during the year) and actual outcomes for expenditure, revenue, and debt.

4.2.1 Year-End Report: Availability, timeliness, dissemination and citizen input

Q.63

How long after the end of the fiscal year does the SN Executive release to the public a Year-End Report that discusses the budget's actual outcome for the year?

- a. The Year-End Report is released six months or less after the end of the fiscal year.
- b. The Year-End Report is released 9 months or less (but more than six months) after the end of the fiscal year.
- c. The Year-End Report is released within 12 months after the end of the fiscal year.
- d. The Executive does not release a Year-End Report, or releases it after more than 12 months after the end of the fiscal year
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response

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Comment by Survey Coordinator:

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Explanatory Note for Question 64 - Dissemination mechanisms for the Year-End Report

See the Explanatory Notes on dissemination mechanisms, included in Section One and also reproduced in 2.1 and 3.1.

In the table below, 6 standard means of dissemination are identified, 3 of which are oral and 3 written. Researchers should assess the quality of dissemination of the YER, in relation to the evidence available on the use of these six dissemination mechanisms.

Oral Dissemination	Written Dissemination
Radio, TV or other audio-visual dissemination means	Internet, including web pages, blogs, and messages/ materials disseminated through social media.
Public meetings, hearings or other means of direct oral dissemination.	Pamphlets, or other summary written versions of budget documents
Information Desks, telephone “help-lines” and other forms of permanent assistance provided orally to citizens.	Printed copies of budget documents, made available at public libraries and/or through government offices.

Q.64

Does the SN government utilize an adequate range of dissemination mechanisms for the dissemination of the Year-End Report?

- The SN government uses at least four of the identified dissemination means for the YER.
- The SN government uses three of the identified dissemination means, of which at least one is oral and one written.
- The SN government uses only 2 mechanisms or 3 purely written mechanisms of dissemination.
- The SN government uses one or no dissemination means for the EBP.
- Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

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Comment by Survey Coordinator:

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Explanatory Note on Question 65 - Public engagement in the oversight of Year-End Reports

If the Year-End Report is to become a genuine vehicle for public accountability, it is important that citizens within the SN territory should have the opportunity to pose questions of the Executive relating to the results reported in the YER, and should expect formal answers to those questions. In addition, these questions and answers should be made available to the general public for their consideration. There are different ways in which mechanisms for eliciting comment and providing feedback on the YER might be designed, including the establishment of specific web-sites or Internet bulletin boards for this purpose, or the holding of public hearings on the YER in the weeks after its release to the public. The key point is that these mechanisms should exist, they should require all questions and requests for clarification to be answered and they should utilise public channels of communication.

Q.65

Does the SN Government answer publicly to the clarifications requested by citizens on the YER through the established public channels?

- a. Yes, mechanisms exist and clarifications requested are answered publicly.
- b. No, there are no mechanisms in place or clarifications requested are not publicly answered.
- c. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

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4.2.2 Content of the Year-End Report

General Explanatory Note for Questions:

The answers to the questions in this section should refer to the most recently issued Year-End Report, so long as this is 'publicly available' as defined in Section 1 of the questionnaire. If not publicly available, "d" answers would be applicable.

Q.66

Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

- a. Yes, quantitative estimates for all differences between the enacted levels and the actual outcome for expenditures are presented, along with a narrative discussion.
- b. Yes, quantitative estimates for all differences between the enacted levels and the actual outcome for expenditures are presented, but a narrative discussion is not included.
- c. Yes, quantitative estimates for some but not all differences between the enacted levels and the actual outcome for expenditures are presented.
- d. No, information related to the differences between the enacted levels and the actual outcome for expenditures is not presented, or the Year-End Report is not released to the public.
- e. Not applicable/other (please comment).

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<p>INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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<p>Q.67</p> <p>Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <p>a. Yes, quantitative estimates for all differences between the enacted levels and the actual outcome for revenues are presented, along with a narrative discussion.</p> <p>b. Yes, quantitative estimates for all differences between the enacted levels and the actual outcome for revenues are presented, but a narrative discussion is not included.</p> <p>c. Yes, quantitative estimates for some but not all differences between the enacted levels and the actual outcome for revenues are presented.</p> <p>d. No, information related to the differences between the enacted levels and the actual outcome for revenues is not presented, or the Year-End Report is not released to the public.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION</p> <p><u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE</p> <p><u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE</p> <p><u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	<p>INSERT LETTER ANSWER</p>
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4.2.3 Inter Governmental Transfers in the Year-End Report

See Explanatory Notes on I-G transfers provided in Sections 2.2 and 3.2.

Q.68

Does the Year-End Report include information on the value of I-G transfers received in the year?

- a. Information is provided in the YER on the value of I-G transfers received and it is presented in a disaggregated manner, which distinguishes the main types of grant.
- b. Information is provided in the YER on the value of I-G transfers received but this information is not disaggregated between the main types of grants.
- c. Information is not provided in the YER on I-G transfers received but this information may be accessed from the SN Government, upon request by the public.
- d. Information on I-G transfers received is not available to the public.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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Q.69

Does the Year-End Report include information on the value of I-G transfers made during the year to lower levels of government?

- a. Information is provided in the YER on the value of I-G transfers made and it is presented in a disaggregated manner, which distinguishes the main types of grant.
- b. Information is provided in the YER on the value of I-G transfers made but this information is not disaggregated between the main types of grants.
- c. Information is not provided in the YER on I-G transfers made, but the public may access this information from the SN Government upon request.
- d. Information on I-G transfers made is not available to the public.
- e. Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

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<p><u>Comment by Survey Coordinator:</u></p> <p>TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION</p>	
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4.3. Audit Phase

General Explanatory Notes:

Questions 70 – 75 explore practices associated with public audit processes at the SN government level. These questions are concerned with the external audit reports prepared by the public authority responsible for ex-post oversight of financial operations at the SN level. In most countries, public responsibility for external audit at the SN level is invested in the national Supreme Audit Institution (i.e. the National Audit Office, or the Court of Accounts) or in a special Audit Commission created at the national level to have responsibility for oversight of Subnational Governments. In some cases, these national-level audit bodies might have offices at the Subnational level. In large countries with federal structures, each State or Provincial Government may have its own audit institution responsible for oversight of financial operations at the State level and at lower levels of government.

Whatever the specific model in operation, the concern is with external audit processes, undertaken by audit bodies independent of the SN executive, who would normally report on their findings to the SN Legislature and/ or to the Legislature, Judiciary or Executive arm of the national government. The questions are not concerned with internal audit processes undertaken for the SN executive to facilitate improved management by line departments or by the department of finance of the SN executive. (e.g., the reports of internal audit units within departments, or the supervision reports of the finance inspection branch of the Finance Department of the SN executive.)

Whichever external audit model is in place, the focus of these questions is upon the accessibility of audit reports to local citizens at the SN level, and upon the ability of local citizens to provide input into the external audit process, by commenting upon reports or having access to the SN level hearings in which audit reports are discussed. In most countries, audits of SN level institutions will also be considered at higher levels of government. This may strengthen accountability to the higher level of government but, if citizens at the SN level do not have access to these processes, then accountability to SN citizens – which is the focus of this survey - will not be strengthened.

In most countries, there are two types of external audit undertaken:

1. The annual Audit Report of the consolidated accounts of the SN government (i.e. of the Year-End Report), in which the focus is generally on the correctness and completeness of the accounts, and where the audit is normally annual; and
2. The audit of individual departments, agencies or public enterprises of the SN government, in which the accounts of individual SN institutions are analysed in detail, including a scrutiny of the financial and management procedures applied to consider issues of compliance, as well as (potentially) quality of systems (e.g. payroll, inventory management, etc.) and value for money. In most countries, these “individual agency audits” do not achieve a 100% coverage of all SN departments/ agencies/ enterprises every year, rather the focus is on a selection of SN institutions, usually chosen by the audit institution on the basis of risk criteria.

The questions in this section refer to both of these audit processes but a distinction is drawn between the “Audit Report (on final accounts)” and the “Individual Agency Audit Reports”. In most countries, these two processes are conducted separately and reported upon separately. In some countries, although the

processes are conducted separately, the Individual Agency Audit Reports will be appended to the annual Audit Report on final accounts either in full or in summary, in addition to being published and discussed on a separate basis. In other countries, the two processes are conducted on an integrated basis, with a sample of institutions being subject to “individual agency audits” each year and with the corresponding reports being incorporated within the annual Audit Report on final accounts. Information on the annual number of institutions subject to “individual agency audits” should, however, always be available under each of these three scenarios.

4.3.1 Availability and dissemination of external Audit reports

Explanatory Note for Question 70 - Dissemination mechanisms for the Audit Report

See the Explanatory Notes on dissemination mechanisms, included in Section One and also reproduced in 2.1 and 3.1. In the table below, 6 standard means of dissemination are identified, 3 of which are oral and 3 written. Researchers should assess the quality of dissemination of the annual Audit Report on final accounts, in relation to the evidence available on the use of these six dissemination mechanisms.

Oral Dissemination	Written Dissemination
Radio, TV or other audio-visual dissemination means	Internet, including web pages, blogs, and messages/ materials disseminated through social media.
Public meetings, hearings or other means of direct oral dissemination.	Pamphlets, or other summary written versions of budget documents
Information Desks, telephone “help-lines” and other forms of permanent assistance provided orally to citizens.	Printed copies of budget documents, made available at public libraries and/or through government offices.

Q.70

Does the SN government utilize an adequate range of dissemination mechanisms for the dissemination of the Audit Report on Final Accounts?

- The SN government uses at least four of the identified dissemination means for the Audit Report on Final Accounts.
- The SN government uses three of the identified dissemination means, of which at least one is oral and one written.
- The SN government uses only 2 mechanisms or 3 purely written mechanisms of dissemination.
- The SN government uses one or no dissemination means for the EBP.
- Not applicable/other (please comment).

Citation:

INSERT REFERENCE TO SOURCE OF INFORMATION

Government Comment:

INSERT COMMENT WHERE APPLICABLE

Researcher Response:

INSERT RESPONSE WHERE APPLICABLE

Comment by Survey Coordinator:

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4.3.2. Regularity and coverage of Audit Reports

Explanatory Notes on Question 71 – annual coverage of audit process:

Question 71 considers the annual coverage of “individual agency audits”, as a proportion of the total number of departments, agencies and public enterprises for which the SN government is responsible. In counting departments/ agencies/ public enterprises, two criteria should be employed:

- For institutions forming a part of the SN government (e.g. departments), the question is whether these institutions are classified as separate budget heads (or “votes”) within the national budgetary classification system. This is only likely to be the case in larger SN Governments, such as State Governments within federal systems. In smaller SN governments, the whole of the SN government would be considered as a single agency (or “budget holder”) for audit purposes.
- For autonomous or semi-autonomous institutions (public enterprises, or autonomous government agencies), the question is how many such institutions are owned in a legal sense by the SN government and are therefore subject to an external audit by a public body. Some public enterprises operating at the SN level may in fact be owned by the National Government. In other cases, the SN Government may have a minority share, and thus the enterprise in question would not be considered to be owned by the SN government.

Normally, a statement of the total number of departments/ agencies/ public enterprises for which the SN government is responsible would be included in the Enacted Budget, as well as the End of Year Report, and the annual Audit Report on final accounts. The body responsible for external audit of SN Governments would normally issue a statement of the number of such entities covered by individual agency audits either within the audit of final accounts or in its annual report of activities.

In addition to verifying how many individual agency audits have been undertaken, researchers also need to verify that these are publicly available. This should be done by consulting the relevant web site and/or by verifying their availability in public libraries or from the Finance Department, the SN Government Printer (where applicable) or the office of the audit body within the SN territory (where applicable). The definition of ‘publicly available’ is presented in Section 1.

Q.71

What percentage of departments/ agencies/ enterprises of the SN government are subject to a published individual agency audit each year?

- 75 % or more of the institutions of the SN government are subject to a published “individual agency audit” each year.
- 50 % or more of the institutions of the SN government are subject to a published “individual agency audit” each year.
- 10 % or more of the institutions of the SN government are subject to a published “individual agency audit” each year.
- Individual agency audits are not published, or not undertaken, or their coverage is less than 10% per year.
- Not applicable/other (please comment).

Citation:

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Explanatory Notes on Questions 72 – timeliness of public release of audit reports:

Question 72 examines the timeliness of the release to the public of the external Audit Reports on final accounts undertaken each year.

External audit reports will always be subject to some process of scrutiny/ review. The SN legislature may have a Public Accounts Committee, which is responsible for this, or a judicial body at the SN level may undertake this, or it may be the responsibility of a legislative, judicial or executive committee at a higher level of government. In some SN governments, audit reports may be submitted for scrutiny and made available to the public simultaneously; in other cases, audit reports are not made available to the public at the SN level until the process of scrutiny is complete, or they may be made available only upon request, or perhaps never.

The norms and regulations governing the release of audit reports to the public will obviously influence the time taken to make reports publicly available after the conclusion of the fiscal year. However, the speed with which End of Year accounts are produced and audits completed is also of great importance. Where audits are made available to the public only with substantial time lags, this will significantly reduce the usefulness of the audit reports, as mechanisms to enhance public accountability.

Q.72 How long after the close of the fiscal year is the <u>external Audit Report on final accounts</u> released to the public within the SN territory? a. The external Audit Report on final accounts is released to the SN public within 6 months of the completion of the relevant fiscal year. b. The external Audit Report on final accounts is released to the SN public 7-12 months after the completion of the relevant fiscal year c. The external Audit Report on final accounts is released to the SN public 13-18 months after the completion of the relevant fiscal year. d. The external Audit Report on final accounts is not released to the SN public, or it is released after more than 18 months or it is not regularly undertaken. e. Not applicable/other (please comment). <u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION <u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE	INSERT LETTER ANSWER
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Explanatory Note for Question 73:

Question 73 poses the same question as above, concerning the timeliness of public release, but with regard to “individual agency audit” reports. Where the process of undertaking agency audits is fully integrated with the process of external audit of final accounts, the answers will be identical but, as we have noted above, in the majority of SN governments, these processes are conducted separately.

Where the processes are conducted separately, researchers will need to ascertain the dates of release to the public of the individual agency audits. The body responsible for undertaking such audits should be a first source of information, through consultation of its web site and/or analysis of its annual report on activities. In addition, a sample of reports of individual agency audits should be examined to assess whether the release dates are consistent with those reported. This should be done by downloading reports from the web site of the audit body, or by consulting such reports in public libraries or at the SN Government Printer (where applicable) or at the Finance Department of the SN Government, or the office of the audit body within the SN territory (where applicable).

Q.73 How long after the close of the fiscal year are the reports of “ <u>individual agency audits</u> ” <u>released to the public</u> within the SN territory? a. Reports of “individual agency audits” are released to the SN territory public within 6 months of the completion of the relevant fiscal year. b. Reports of “individual agency audits” are released to the SN territory public 7-12 months after the completion of the relevant fiscal year c. Reports of “individual agency audits” are released to the SN territory public 13-18 months after the completion of the relevant fiscal year. d. Reports of “individual agency audits” are not released to the SN territory public, or they are not undertaken or they are released with a delay of more than two years. e. Not applicable/other (please comment). <u>Citation:</u> INSERT REFERENCE TO SOURCE OF INFORMATION <u>Government Comment:</u> INSERT COMMENT WHERE APPLICABLE <u>Researcher Response:</u> INSERT RESPONSE WHERE APPLICABLE <u>Comment by Survey Coordinator:</u> TO CONFIRM FINAL ANSWER AND ITS JUSTIFICATION	INSERT LETTER ANSWER
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Explanatory Notes for Question 74 – clarity & “action-focus” of the Audit Report:

In order to facilitate effective scrutiny of audit reports both by the relevant legislative/ judicial body and by the general public, it is important that audit reports should be clear and easy to read, with clearly actionable recommendations. In this way, their implications can be more easily understood and appropriate actions taken. In many SN governments, the effectiveness of the audit process as a mechanism of accountability is hampered by the publication of excessively long reports, which use highly formal and legalistic language and do not present clear recommendations.

This question aims to judge the extent to which the annual Audit Report on final accounts fulfils the criteria of clarity and “action focus”. Specifically it asks whether the Audit Report on final accounts includes four specific components, which international best practice promotes as the essential elements of a clear and action-focused audit report:

- i. A summary of Key Findings;
- ii. A list of recommendations for corrective actions;
- iii. An analysis of the follow-up to past recommendations; and
- iv. A summary of the audit process followed.

Q.74

Does the annual Audit Report on final accounts include the four essential elements of a clear and action-focused audit report?

- a. The Audit Report on final accounts includes a summary of Key Findings, Recommendations, an analysis of follow up to past recommendations and a description of the audit process.
- b. The Audit Report on final accounts includes three of the four desired components of a clear, action-focused report.
- c. The Audit Report on final accounts includes two of the four desired components.
- d. The Audit Report on final accounts includes only one of the four desired components, or it is not published, or not regularly undertaken.
- e. Not applicable/other (please comment).

Citation:

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Government Comment:

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Researcher Response:

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4.3.3 Public engagement in the scrutiny of external Audit reports

Explanatory Notes on Question 75 – public participation in the scrutiny of audit reports

The scrutiny of audit reports is an essential process in ensuring that audit findings are brought to the attention of an entity, which is in a position to demand corrective actions by the Executive of the SN Government. As we have noted above, this scrutiny function is normally undertaken by the legislative or judicial branch of the SN Government, or by a legislative/ judicial or executive body at a higher tier of government.

While the completion of the scrutiny process is not a guarantee that there will be an effective follow-up to the findings and recommendations in audit reports, it is nevertheless an essential first step. It is also in many cases an essential first step to permit ordinary citizens and members of civil society to participate in discussions of audit reports with the competent authorities, because it is during the scrutiny process that the most active participation of civil society usually takes place.

International best practice recommends that the scrutiny of audit reports should be deliberately structured so as to permit participation by the general public. This question assesses the extent to which the scrutiny process for the Audit Report on final accounts is open to the public, either as an audience or as active participants who may also provide verbal testimony.

Q.75

Does the process of scrutiny of the Audit Report on final accounts allow for participation by members of the public?

- a. Extensive public hearings, incorporating public testimony, are held regarding the Audit Report within the territory of the SN government.
- b. Public hearings are held within the SN territory regarding the Audit Report but testimony from the public is not heard.
- c. Public hearings on the Audit Report are held but not in the territory of the SN government.
- d. Hearings on the Audit Report are not open to the public, or they are not regularly held.
- e. Not applicable/other (please comment).

Citation:

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Government Comment:

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Researcher Response:

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