

Budget and Reporting Processes and Formats

**Facilitating Improved Decision Making for
Service Delivery**

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The importance of format

- Usefulness of information depends on format
- Format is more than financial tables
 - Classifications
 - Column headings
 - Rows (line items)
- Format includes presentation of all documentation
 - Peoples budgets, approved budgets, attachments
 - Executive summaries, graphs, policy discussion
- Budget Formats = Financial Statement Formats

2010 Consolidated budget for South Africa

- Diagrammatic view of the budget shows
 - scope of government services by sector
 - relative spending levels in each sector
 - Year on year growth (estimate to budget)
- A link is created between strategic planning and budgeting through highlighting spending levels in each service area.

2010 Consolidated budget for South Africa

- Chapter 8 “Outcome targets & medium-term spending priorities”
 - demonstrates how policy discussion can link strategy and spending initiatives
 - Analysts at National Treasury prepare this based on information provided by line ministries
- Add sector discussions to your budget documents

South African Local Government

- Consultation on Strategic Plan (IDP)
- National , provincial government, community and other stakeholders
- Strategic Plan informs the Budget
- Operational Plans (SDBIP) are detailed plans for implementing the budget and the targets in the SDBIP must agree to the targets in the performance agreements of managers

South African Local Government

- SDBIP (Operational Plan) contains
 - *Monthly targets for revenue and expenditure*
 - *Quarterly targets for performance measures*
- The quarterly targets in the SDBIP must be consistent with approved annual targets in the budget .
- The targets contained in the performance agreement for each manager are also consistent

South African Local Government

- Municipal Budget and Reporting Regulations
 - Schedule A, format of annual budgets
 - Schedule B, format of adjustments budgets
 - Schedule C, format of in-year reports
- The regulations set out what is required under each heading and treasury instructions issue detailed table formats
- Quality certificates are required for each document

South African Local Government

- Formats for linking strategic plan to budget
 - Standard format for operating budget by economic classification. Note the fields for total revenue and total expenditure.
 - List revenue for each strategic objective. Total revenue by strategic objective = total revenue
 - List expenditure for each strategic objective. Total must = total expenditure
 - Similar format for capital expenditure

2010 Gauteng Province Transport Budget

- Programme budget format
 - Summary of amount to be appropriated
 - Strategic and Operational Objectives
 - Legal base
- For each programme
 - Description, objective, financials and
 - Output and service delivery measures

2010 Strategy for South African Roads

- Smooth Travel Exposure
- Low Rut Exposure
- Return on Construction Expenditure
- Expenditure Efficiency Index
- Private Sector Investment Index
- Road Maintenance Effectiveness
- User Satisfaction Index

2010 South Australian Budget - Transport

- Programmes and sub programmes
- 2.1 Operating and maintaining roads
 - Average travel speed
 - Bridge health index
 - % of travel on acceptable surface condition
- 3.2 Transport safety regulation
 - Vehicle and ID inspections

Classification and chart of accounts

- Most accounting and reporting systems can cater for multiple reporting views and common ones are
 - Economic classification, financial statements
 - Administrative / Organisational reporting
 - Functional & Programme reporting
 - Other special purpose reporting formats
- Non financial performance information may require separate systems

Conclusions

- Planning, budgeting, reporting and oversight should be seen as one process
- Standard formats will improve information content
- Regulate formats and use instructions for flexibility
- Consider formats of all documents
- Require quality certificates for formal documents
- Publish widely for transparency & accountability

Discussion

THANK YOU!

<http://internationalbudget.org/>