

**14. PROGRESS REPORT OF THE STANDING COMMITTEE ON FINANCE ON THE MONEY BILLS AMENDMENT PROCEDURE AND RELATED MATTERS ACT, ACT NO. 9 OF 2009, DATED 19 SEPTEMBER 2012**

The Standing Committee on Finance reports as follows:

**1. Introduction and Background**

On 24 May 2012 the National Assembly, citing technical challenges that have become apparent during the implementation of the Money Bills Amendment Procedure and Related Matters Act, Act No. 9 of 2009 (the Act), passed a resolution, instructing the Standing Committee on Finance (the Committee) to review the Act with a view to introduce amending legislation if necessary.

The resolution of the Assembly requires the Committee to:

- (a) evaluate the application of the legislation including, but not limited to, the timeframes and sequencing associated with the different financial instruments and bills, the procedures to be developed in the rules; and the functions and management of the Parliamentary Budget Office;
- (b) report on any other matter related to the implementation of the Act;
- (c) confer with the Standing Committee on Appropriations; and
- (d) report to the National Assembly on progress by 21 September 2012.

**2. Progress**

After the Act came into operation, the Presiding Officers appointed a Task Team to facilitate the implementation of the Act. The Task Team identified challenges and proposed solutions in giving effect to

the purpose of the Act. The Committee were briefed on these challenges and solutions. In this respect the Committee was advised as follows:

The Act provides for time frames and sequencing in respect of the following:

- Budgetary Review and Recommendation Reports (BRRR) (section 5);
- Medium Term Budget Policy Statement (section 6); and
- Fiscal Framework, Division of Revenue Bill and Appropriation Bill (sections 7 – 10).

The question is whether these requirements are reasonable and practical?

The Act requires co-ordination between committees in fulfilling their mandates during the budget process in respect of the following:

- BRRR (section 4(5));
- Appropriation Bill (section 10(8)); and
- Adjustments budget (section 12(16)).

The question is how the process envisaged in the Act can be regulated practically in the rules? This issue will have to be considered in light of possible amendments to the Act.

Section 15 of the Act establishes the Parliamentary Budget Office (PBO) and sets out the following:

- functions (section 15(2));
- appointment and removal of director (sections 15(5) & ((8));
- budget as a transfer (section 15(10)); and
- management of PBO (sections 15(12)-15)).

The challenge here is how to align the provisions of the Act that are necessary to give effect to establishing the PBO with the provisions of the Financial Management of Parliament Act, 2009 (Act No. 10 of 2009) (FMPA). The FMPA was passed after the Money Bills Amendment Procedure and Related Matters Act. The functioning and management of the PBO must take into account the roles of the Executive Authority and the Accounting Officer as provided for in the FMPA. Prof M Jahed, seconded from the Development Bank of Southern Africa, has been mandated to assist with the establishment of the PBO.

Section 16 of the Act, read with the Schedule to the Act, provides for norms and standards for provincial legislatures. Section 120(3) of the Constitution provides that provincial legislatures must pass provincial legislation to set out a procedure to amend provincial money Bills. Section 116(1) of the Constitution provides that a provincial legislature may control and determine its internal arrangements, proceedings and procedures. Section 16 of the Act must be reviewed to ensure that it is consistent with the Constitution.

Lastly, the Committee was advised that the language used in the Act can be improved to be consistent with language used in parliamentary processes (e.g. definitions), to effect certain corrections (e.g. section 11(4)(c)) and to delete certain obsolete provisions (e.g. section 3).

### **3. Way forward**

The Standing Committee on Finance resolved to workshop proposed amendments to the Act with all stakeholders on a future convenient date. The Committee will include all Finance cluster Committees in the process going forward once dates have been determined.

Report to be considered

