

PARLIAMENTARY BUDGET OFFICE
Discussion Document

Presented to the Workshop on the Money Bill Amendment Procedure and Related Matters Act

04 August 2009

1. The President assented to and signed the Money Bills Amendment Procedures and Related Matters Act [No 9 of 2009] (the Act). Section 15 of the Act establishes a Parliamentary Budget Office.
2. Functions of The Parliamentary Budget Office: The Budget Office is mandated to support the implementation of the Act by undertaking independent research and analysis for committees, specifically the respective finance and appropriation committees. Its central functions include:
 - a) Annually providing reviews and analysis of the documentation tabled in Parliament by the executive in terms of the Act;
 - b) Providing advice and analysis on the documentation in proposed amendments to the fiscal framework, the Division of Revenue Bill and money Bills and on policy proposals with budgetary implications;
 - c) Monitoring and synthesizing matters and reports tabled and adopted in the House with budgetary implications, with particular emphasis on reports by other committees;
 - d) Keeping abreast of policy debates and developments in key expenditure and revenues areas;
 - e) Monitoring and reporting on potential unfunded mandates arising out of legislative, policy or budgetary proposals; and
 - f) Undertaking any other work deemed necessary by the Director to support the implementation of the Act.
3. Furthermore, the Budget Office may:

- a) Undertake research on request by the Houses, other committees or members of parliament on matters related to the budget and other money bills subject to capacity; and
 - b) There must be a co-operative relationship between the Parliamentary Budget Office and other research structures in Parliament. In this regard the Relationship between the Budget Office, Research Unit and Procedural Arms esp. the Committee Section will need to be developed in detail, perhaps through an informal protocol or memorandum of understanding)
4. Appointment of Director: Section 15 (5) asserts that the relevant committees must recommend a person, with the requisite skills and qualifications, for appointment as Director by resolution of both Houses¹. The Act also specifies that the Director must be at the same level as the "top rank of the public service". It is envisaged that the Director will enter into a performance contract with Parliament's Executive Authority. Furthermore, given that the Act is in operation it is expected that the Director would have to be appointed without delay.
5. Removal of Director: Once appointed, a Director may only be removed from office after a finding of misconduct, incapacity or incompetence by a joint sitting of the committees on finance and appropriations, and the adoption of Houses resolutions to that effect.

The Director, once appointed, is responsible for setting up of the office in terms of the appointment of staff and other resources. The Director must, however, consult the relevant committees to determine *inter alia*: the structure of the

¹ **Possible Implications for the Rules**

Section 15 (5) (8) (13) and (15): The Rules should include, under the powers and functions of the relevant committees, the requirements that they must:

- Recommend a person for appointment as Director of the Budget Office;
- Investigate and make a finding on any charge that may result in the Director's removal from office;
- Consider proposals from the Director relating to the structure of the Office and conditions of service for personnel etc; and
- Nominate an acting Director when necessary.

Budget Office; and the conditions of service (which must take cognizance of the conditions of service of parliamentary staff)

6. Funding: Section 10 of the Act states the Parliamentary Budget Office must annually receive a transfer of funds from Parliament's Budget in order to carry out its duties and functions. The Director must submit to Parliament a three year budget in time for inclusion in Parliament's Budget and a report on the use of funds and the activities of the Budget Office. It is envisaged that the auditing of transferred funds may be done in a similar way to that carried out for political parties. Funding for the immediate establishment of the office could be secured from retained earnings or via the additional appropriation bill.
7. Relevant committees could begin a joint process to develop/identify job requirements and requisite qualifications; advertise, identify, interview and recommend a candidate.