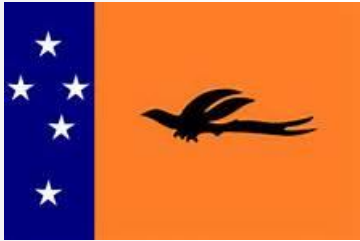


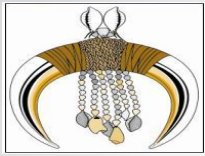
NATIONAL ECONOMIC & FISCAL COMMISSION

NGI REGIONAL WORKSHOP 2015



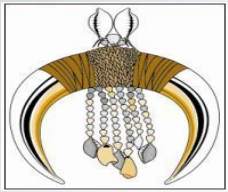
QUALITY BUDGET ANALYSIS





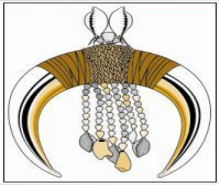
Overview of Budget Scorecard Analysis

- Why is it necessary for NEFC to conduct an Annual Budget Scorecard Analysis?
- What does the analysis involve?
- What were the common findings?
- What Provinces can do to improve local processes and improve scores?
- The NEFCs vision for coming years



Why conduct an Annual Budget Scorecard Analysis?

- To promote **structure, quality, accuracy, efficiency** and **consistency** over budget management
- To **assist** provinces assess their performance against other provinces with a view of improving their own performance.
- **Good Budget** outcomes results in improved **service delivery**.



How was the criteria arrived at?

Ten major areas were developed

➤ Overall

➤ National Grant Finance Expenditure

Appropriation

➤ Administration

➤ Other Services

➤ Health

➤ Education

➤ Transport & Infrastructure Maintenance

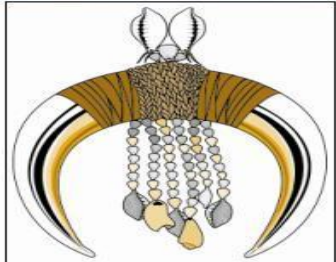
➤ Primary Production

➤ Village Courts (operations)

➤ Own Source Revenue

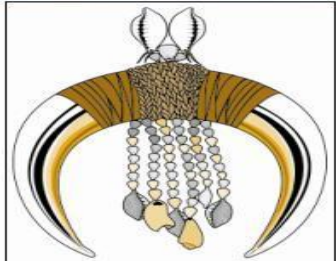
HIGH LEVEL BUDGET SUMMARY

- [Summary of 2015 Expenditure ESTIMATES.docx](#)
National Government Grants
- [Summary of 2015 Revenue ESTIMATES.docx](#)
National Government Grants



Provincial Budget Quality Assessment

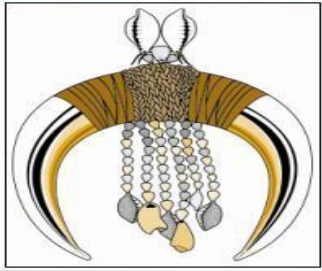
ANALYSIS INCLUDES	MANUS	NIP	ENB	WNB
Timeliness of Budget Submission	3/5	5/5	5/5	3/5
High Level Budget Summary	5/5	5/5	3/5	3/5
Spending on cross cutting issues	3/5	3/5	2/5	1/5
Realistic Own Source Revenue	0/5	0/5	0/5	0/5
Act. Rev. & Exp. for second prior year disclosed	2/2	2/2	2/2	2/2
Est Act. Rev & Est for prior year included	2/2	2/2	2/2	2/2
Spending in MTDS sectors using (10%-20%) using OSR	0/5	3/5	3/5	3/5



PERCENTAGE OF FUNDS ACCORDED TO MPA'S

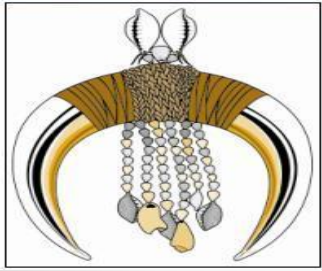
OVER COSS ESTIMATES

Percentage of Funds accorded to MPA's over COSS Estimates	Benchmark	MANUS	NIP	ENB	WNB
Education Function Grant					
Basic Education Services	60%	59%	41%	42%	7%
MPA1 - Distribution of School Materials by	44% - 80%	273%	12%	49%	116%
MPA2 - Supervision by District Officers	44% - 80%	415%	55%	272%	145%
MPA3 - Operation of District Education Office	44% - 80%	No COSS	125%	332%	366%
Health Function Grant					
MPA1 - Operation of Rural Health Facilities	44% - 80%	64%	3%	91%	76%
MPA2 - Outreach Health Patrols	44% - 80%	126%	45%	27%	40%
MPA3 - Drug Distribution	44% - 80%	636%	25%	468%	174%
Transport and Infrastructure Maintenance Function Grant					
MPA 1- Road and Bridge Maintenance	20% - 80%	66%	8%	30%	35%
MPA 2 - Airstrips, Wharves and Jetties	20% - 80%	196%	29%	199%	263%
Primary Production Function Grant					
MPA1 - Extension services, agriculture, fisheries and forestry	10% - 70%	63%	35%	29%	31%
Village Courts Operations Function Grant					
MPA1 - Village Courts Operations	10% - 70%	575%	62%	260%	746%



2014 ROLLOVERS

Degree of Unspent National Grants in the Prior Years	BENCHMA RK	MANUS	NIP	ENB	WNB
Administration Function Grant	12%	No Rollover	32%	81%	50%
Other Service Delivery Function Grant	12%	No Rollover	31%	23%	34%
Health Function Grant	12%	No Rollover	59%	3%	35%
Education Function Grant	12%	No Rollover	48%	30%	22%
Transport Infrastructure Maintenance Function Grant	12%	No Rollover	Unspent > App	14%	52%
Primary Production Function Grant	12%	No Rollover	14%	34%	55%
Village Court Function Grant	12%	No Rollover	38%	50%	11%



2013- 2015 SCORING

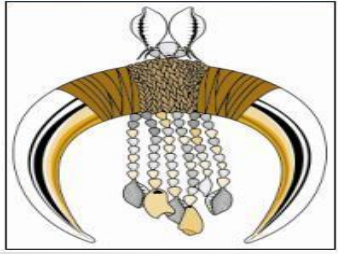
Province	2013	2014	2015
Western	67	62.0	60.5
Gulf	62	73.0	65.0
Central	71.5	76.0	61.0
Milne Bay	56.5	80.5	65.0
Oro	60.5	56.5	52.0
SHP	68	62.0	58.0
Enga	60	59.0	55.0
WHP	43.5	51.0	50.0
Simbu	72	67.5	69.0
EHP	73	67.5	60.0
Morobe	66	55.0	50.0
Madang	67.5	61.5	59.0
ESepik	50	63	53.0
Sandaun	77	58	54.0
Manus	74.5	69	62.0
NIP	76.5	56.5	47.0
ENB	75	74.0	64.5
WNB	68	63.0	58.0
Hela	62	67.0	55.0
Jiwaka	65	38.0	45.0

2013-2015 RANKING

Province	2013	2014	2015
Western	10	9	6
Gulf	13	3	2
Central	7	2	5
Milne Bay	16	1	2
Oro	14	12	14
SHP	8	8	9
Enga	15	10	11
WHP	18	14	15
Simbu	6	5	1
EHP	5	5	7
Morobe	11	13	15
Madang	9	8	8
East Sepik	17	7	13
Sandaun	1	11	12
Manus	4	4	4
NIP	2	12	16
ENB	3	3	3
WNB	8	7	10
Hela	13	6	11
Jiwaka	12	15	17

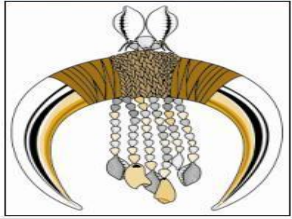
What provinces can do to improve their scores?

- Use 3 Pager budget summary
- Develop high level budget summary
- Proper funding for MPAs
- Proper use of Chart of Accounts (Expenditure and Revenue)
- Contents of Budget Book must be comprehensible
- NEFC costing data as a benchmark



Examples of non compliance BEI

- Funding for tertiary education from EFG
- Personnel emoluments funded from function grants
- Allocation of TIMG to capital projects
- Education funds used for projects
- Use of HFG for office building and Intensive Care Unit at Provincial Hospital
- EFG used for construction
- OSD grant used for salary
- TIMG for vehicles and equipment purchases
- Non compliance with standard COA.



CONCLUSION

- We reiterate the following for the good of the provinces;
 - Timelines of budget submissions
 - High Level Budget Summaries
 - Budget and accounting treatment of rollovers
 - Funding MPAs appropriately
 - Realistic own source revenue estimates
 - Function Grant allocation exclusive for recurrent goods & services

Adherence to all the above results in Quality Budgeting and improved Service Delivery.

THANKYOU!!!!

