



**Pravin Gordhan** No great differences with MPs

**NATIONAL BUDGET**

# Nudging the numbers

**Parliament continues to test** its new-found powers to change the budget, in an exchange with finance minister Pravin Gordhan.

Gordhan has tabled his response to the standing committee on appropriation's report on his February budget.

The Money Bills Amendment Procedure & Related Matters Act, passed last year, allows parliament to make changes to the budget or to any bill that raises revenue, such as the taxation bill.

Parliament can also interrogate budgeting priorities and change allocations to government departments.

After the last medium-term budget policy statement, parliament expressed dissatisfaction over allocations for land reform.

The committee on appropriations made six key recommendations on this year's budget, with which Gordhan largely agrees, possibly because most will affect his cabinet colleagues and not national treasury.

The recent correspondence between him and the committee does not show up any areas of sharp disagreement.

Apart from calling for improved monitoring and accountability regarding the implementation of the budget, the committee also called for provinces to produce saving plans; a review of the scholar transport system; a thorough assessment of conditional grants; a rethink of the

health department's moratorium on hiring; and for backlogs in water and sanitation in schools and clinics to be addressed.

Democratic Alliance MP Mike Waters says the health department frequently denies that there is a moratorium in place, caused by budget constraints.

He says MPs know of its existence from "talking to people on the ground" who cannot hire new staff.

In his response, Gordhan says instruments are in place to ensure monitoring and accountability. These include monthly spending reports and regular reports required by the Public Finance Management Act and Municipal Finance Management Act.

He also points out that since the 2009/2010 financial year, provinces have been required to produce monthly savings plans. Gordhan does not say how many provinces are complying.

The financial & fiscal commission has already called for an assessment of conditional grants, as there is often no proper monitoring of whether they are being used for their intended purpose.

For example, a three-year grant from the 2007/2008 financial year was awarded to the departments of energy and water & environmental affairs to address electrification and sanitation backlogs in schools and clinics.

There were no reports on whether the backlogs had been addressed, so the grant was withdrawn and the departments were instructed to use their own budgets to complete the work.

The appropriations committee is only able to make recommendations to Gordhan. They cannot amend his budget, because parliament has not yet established a budget office, with technical staff including economists, as required by the act.

Elliot Sogoni, chairman of the standing committee on appropriations, says parliament will finalise guidelines on the establishment of the budget office before the medium-term budget policy statement later this year. Sogoni is a member of a task team examining the establishment of the budget office, which includes studying the work of other parliaments.

SA's parliament would benefit from the appointment of economists capable of thinking out of the box, rather than establishing an office that is simply an extension of treasury. **Thebe Mabanga**

## PARLIAMENT'S BUDGET RECOMMENDATIONS

- **Effective monitoring** and accountability
- **Provinces should** have detailed savings plans
- **The scholar transport** policy should be reviewed
- **Overdraft facilities** that consume grants should be addressed
- **Conditional grants** should be assessed
- **Backlogs in water and sanitation** at schools and clinics should be addressed
- **Health department should** reconsider its moratorium on vacancies

SOURCE: NATIONAL TREASURY