



## The Budget and You

- If you are an educator, you may be interested in the priorities set by government for Basic and Higher Education and the percentage of the budget allocated for educational needs.
- If you are unemployed, you may want to know how government intends to finance job creation initiatives, support young entrepreneurs and small business enterprises.
- If you are a learner, you may be focused on the how the budget may support plans to make education more accessible to all learners.
- If you are a pensioner, or if you have a disability you may be concerned with how much of the budget will be set aside for social grants.
- If you are a worker, you will be checking if your taxes are going to be increased or decreased.

### DID YOU KNOW?

The State of the Nation Address and the Budget are key tools for Parliament to hold government accountable for what it has promised to deliver and for how the allocated budget is spent.

The budget takes up to 14 months to prepare. This means by the time this year's Budget is introduced in Parliament, the Budget for the following year has been in preparation for two months already.

Being a Money Bill, the Budget has to be introduced by the Minister of Finance and he introduces it in the National Assembly as the directly elected House.

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# How the Budget works and Oversight



**WHAT IS A BUDGET?** A budget is a written document clearly showing how much income is received (coming in) and how (and on what) it will be spent within a given period of time. The main purpose of a budget is to ensure that the unlimited needs are prioritised in order of importance. This allows one to plan expenditure in such a way that priority areas (such as housing, education and healthcare) can be met.

**WHAT IS OVERSIGHT?** It is a function granted by the Constitution to Parliament to monitor and oversee government action by focusing on the following: implementation of laws; application of budgets; strict observance of laws of Parliament and the Constitution; & effective management of State Departments.



**STATE OF THE NATION ADDRESS**  
The countries priorities are communicated by the President of South Africa



**THE BUDGET SPEECH**  
Two weeks after the State of the Nation Address, the Minister of Finance informs South Africa how the priorities communicated during the State of the Nation Address are to be financed.



**APPROVING THE BUDGET**  
After all the Budget Votes have been debated, each House (National Assembly and National Council of Provinces) must vote on the whole budget. If the budget is approved, the Ministers can go ahead and spend the money as budgeted. The Budget is so important that, if Parliament rejects the budget, the Government will usually resign and an election will be held to elect a new Government.

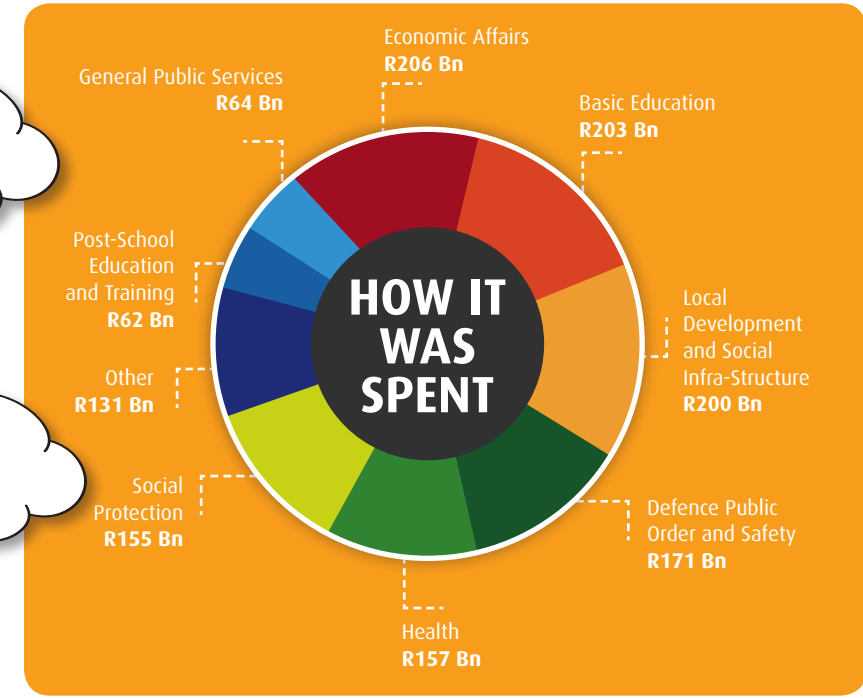


**BUDGET VOTES**  
After the Minister of Finance presents the Budget, each parliamentary committee has hearings on the Budget Vote for its State Department. The committee asks the Department what it plans to achieve with its budget. The committee can also check whether the Department kept the promises it made for the previous year and whether it spent the taxpayers' money properly.

**MONITORING AND EVALUATION**  
Auditor General – audits departments  
SCOPA – ensures that issues raised by the AG are dealt with

The budget is government's financial plan every year

The main source of the State's income is from taxation



- THE BUDGET CYCLE: 2015/2016 Budget**  
The Budget Process is a continuous cycle running as follows:
- **April:** Roll-over requests submitted.
  - **May to June:** Roll-over letters are issued. MTEF budget guidelines forwarded.
  - **July:** Departments submit expenditure estimates. Cabinet Lekgotla takes place.
  - **August:** Mincombud approves preliminary fiscal framework and division of revenue and sectoral budget priorities.
  - **September:** MTEC presents recommendations. Adjustments Appropriation process begins.
  - **October to November:** Adjustments Appropriation Bill, the Amended Division of Revenue Bill and the MTBPS is tabled in Parliament
  - **December to February:** Budget Review and Recommendations Reports on MTBPS, fiscal framework, and Division of Revenue from Parliament is received.
  - The National Budget, Appropriation Bill, Division of Revenue Bill, and Estimates of National Expenditure are tabled by the Minister of Finance in Parliament.
  - **March to June:** Parliament deliberates and adopts fiscal framework and begins hearings on the Division of Revenue Bill before it can be passed by Parliament.
  - **July:** The National Assembly votes to pass the budget through the Appropriation Bill