



## Timely publication of the eight key budget documents Liberia

### Introduction

In the context of the Fiscal Openness Accelerator Project (FOA Project)—launched by the International Budget Partnership and the Global Initiative for Fiscal Transparency with the objective of building the technical capacity of selected governments to improve their fiscal transparency and to implement mechanisms for public participation, the Ministry of Finance and Development Planning of Liberia **will receive technical assistance to build capacity** to enhance fiscal transparency.

To measure progress for the FOA Project per country, a set of indicators were selected, based on the findings of the Fiscal Transparency Report (FTR) of the United States Department of State and the Open Budget Survey (OBS). The first of these indicators is the **timely publication of the eight key budget documents as assessed by the OBS**. This document presents a diagnosis of the current state of affairs regarding such indicator based on the legal framework and practice and presents a set of actions and considerations to improve in this respect.

### Diagnosis and considerations for improvement

- Liberia could achieve an improvement in the OBS score by timely publishing the budget documents. For 2019, 4 out of the 8 key budget documents are published late:
  - Budget Framework Paper (Pre-budget Statement)
  - Citizens Budget
  - Quarterly Performance reports (In-year reports), and
  - Recast Budget Statement (Mid-year review).
- As can be appreciated from the image below of the results of the OBS 2019, the publication of the documents year to year has been inconsistent, having some documents published timely in one year and not in the next one. This would suggest a need to map all the steps and actors of the process for each document, including the personnel in charge of uploading the documents to the MoF website.

Public availability of budget documents in Liberia

● Available to the Public  
● Published Late, or Not Published Online, or Produced for Internal Use Only  
● Not Produced





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For example, for the case of the In-Year reports (the quarterly reports for Liberia), we can see from question YR-2 of the OBS 2019 that the second and third quarter documents were published at the same time (August 23, 2018). However, reviewing the MoF website, it seems that the content is being recently updated in the content administrator (CMS) of the new website. A simple control and coordination with the staff in charge of the website could allow including notes regarding these sorts of issues as disclaimers, which would provide better clarity to the users.

	Consolidated Account Quarter One of FY 2014-2015	
	11-20-2018	
	1st Quarter Consolidated Financial Statements FY2018-2019	
	02-19-2019	
	2nd Quarter Consolidated Financial Statements FY2018-2019	
	02-19-2019	
	Financial Statement of the Consolidated Fund Account Third Quarter Fiscal Year 2018/2019	
	05-15-2019	
	Financial Statements of the Consolidated Fund Account 1st Quarter FY 2019/2020	
	12-18-2019	

- The commitment to timely publication is established in the [budget circular 2019/2020](#):

### 6.8 Fiscal Transparency Initiatives

The Government of Liberia remains committed to **continued improvements of its transparency index and PFM ratings**. As part of effort in this regard, civil society organizations (CSOs) will be invited to attend and participate in the sector working group meetings. CSOs that have demonstrated interest and take advantage of this opportunity by actively participating in these meetings will be invited to attend the executive budget hearings. They will be allowed to ask questions or make recommendations to the national budget committee (NBC). Additionally, comprehensive and timely availability of budgetary information is critical to the OBI Index and PEPA scoring. Therefore, the government attaches serious importance to the timely release of budgetary information to the public and **will ensure that the Executive Budget Proposal, Budget Framework Paper, Enacted Budget, Citizen's Guide to the National Budget** are published within the timeframe as required as well as undertake budget outreach programmes in a timely manner.

- The State Department Fiscal Transparency Report indicates that “Liberia’s supreme audit institution did not make its audit reports publicly available within a reasonable period of time.” And actions should be taken to “Making supreme audit institution audit reports publicly available within a reasonable period of time”. This is also in line with the findings of the OBS 2019.
- Publication is contemplated in the Public Financial Management Act and its regulation. Some deadlines are included in the specific sections of the documents.



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### A.1. Openness and Accountability

- (1) Subject to national security considerations, the public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry , the monthly revenue and quarterly budget performance reports of ministries and agencies state owned enterprises their annual accounts and reports and the Government's annual audited accounts.
- (2) Ministries agencies, and state owned enterprises shall provide financial information to the public which is accessible to the majority of the population. This will include, but not restricted to: establishing a focal point to facilitate access to financial information, making information available in the media, in local languages, in popular and summarised form and through appropriate use of the Internet.

The following tables map the legal framework of the presentation of the budget documents referred to in the Budget Circular, and compares them with the expected good practice assessed by the OBS. The fourth column of the table “Considerations for Improvement” indicates possible inconsistencies and limitations to improve, as well as some possible actions to improve.

Budget documents within the scope of the Ministry of Finance and Development Planning			
Document	Deadline for legal term	Deadline for “A” in OBS	Considerations for improvement
<b>Pre-Budget Statement- Budget Framework Paper</b>	<b>January 31</b>  Section 11 (3) of the PFMA contemplates two moments of the budget preparation:  “3. The budget preparation cycle shall consist of two phases, the first concentrating on the preparation of a budget framework paper and the budget circular, and the second concentrating on the preparation of the detailed annual budget that addresses the policies and priorities set out in the budget framework paper.”  PFMA Regulation:  D.3. The First Phase of the Budget Cycle	<b>February 28</b>  A: At least four months in advance of the budget year, and at least one month before the executive’s budget proposal is introduced in the legislature	The OBS considers the Budget Framework the Pre-Budget statement, and the deadline contemplated in the PFMA Regulation exceeds OBS expectation for A.  Consider clarifying Section 12 of the PFMA, as the Budget Framework should be separated from the documents sent with the budget proposal as it should be sent before:  “Section 12. Documents and Contents of Proposed Budget  1. The Proposed Budget presented by the President to the Legislature shall include the following documents:



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	(1) (2)...  “(3) The first phase shall be completed <b>not later than five (5) months before the start of the fiscal year</b> . The Minister shall prepare, for approval of the President and Cabinet,  a consolidated budget framework paper which will be used to guide the detailed budget preparation”		(a) A budget framework paper.”
<b>Executive Budget Proposal</b>	<b>April 30</b>  Section 11(1) of the 2009 Public Financial Management (PFM) Act: “The President shall submit the Proposed Budget and accompanying documents to the Legislature no later than two (2) months before the start of the fiscal year.”  PFMA Regulation D.4 “(7). The President shall submit the Proposed Budget and accompanying documents to  the Legislature no later than two (2) months before the start of the fiscal year, that is, by  April 30 each year.”	<b>March 31</b>  <b>A:</b> At least three months in advance of the budget year, and in advance of the budget being approved by the legislature  <b>B:</b> At least two months, but less than three months, in advance of the budget year, and in advance of the budget being approved by the legislature	Getting to A would require a reform of the Public Financial Management Act, and the regulation accordingly, to provide at least 3 months. Otherwise Liberia can only aspire to B.  Section 14 of the PFMA does expect immediate publication “1. The Proposed Budget will be made available to the public immediately following its submission to the Legislature.”
<b>Enacted Budget</b>	<b>Immediately after approval, however there is no deadline for approval</b>	<b>Immediately after approval</b>	The compliance of the Law is in line with the OBS. A deadline for approval by the legislature is missing



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	<p>PFMA Section 14. 2. The Approved Budget will also be available to the public immediately following its publication into handbill.</p> <p>No timeline for legislative approval:</p> <p>PFMA Section 15.1</p> <p>"1. The Legislature's review and approval of the Proposed Budget shall be conducted in accordance with the rules and procedures set forth in the Constitution of the Republic of Liberia."</p> <p>Constitution of Liberia article 34, d (i) and (ii) does not provide deadline either:</p> <p>"ii)...An annual statement and account of the receipt and expenditure of all public monies shall be submitted by the office of the President to the Legislature and published once a year."</p>	<p><b>A:</b> Two weeks or less after the budget has been enacted</p>	though, which complicates accountability. A legal reform in this aspect is necessary for the country to have a complete calendar of the budget process.
<b>Citizen's Guide to the Budget</b>	<p><b>No deadline</b></p> <p>The Citizen's Budget is mandated in the PFMA regulation:</p> <p>"1.A (4) Ministries, agencies and state-owned enterprises shall arrange for effective public consultation</p>	<p><b>Same deadline as document represented</b></p> <p><b>A:</b> A citizens version of budget documents is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit).</p>	Deadlines could be included in the PFMA regulation and clarify for which documents a Citizens' budget shall be developed.  Currently there is only CB for the enacted budget, which only reaches a C for



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	<p>during the development of their annual budget estimates. This shall include the publication of citizens' budgets which explain and summarise the budget proposals in simple non-technical terms."</p>	<p><b>B:</b> A citizens' version of budget documents is published for at least two of the four stages of the budget process.</p>	<p>question 67, considering it was published timely. Liberia could develop a standard format for Citizens' budget that will facilitate the timely publication. This can be done with different tools that can do for a print format or online.</p>
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- Address the publication of the Audit Report with the Auditor General

Budget documents within the scope of the Supreme Audit Institution			
Document	Deadline for legal term	Deadline for "A" in OBS	Considerations for improvement
<b>Audit Report</b>	<b>February 28</b>  Section 37 of the PFMA establishes deadlines:  <b>1.</b> The Minister shall prepare the unaudited Final Account of the National Budget and submit it to the Auditor General <b>no later than four (4) months after the end of the fiscal year.</b>  <b>5.</b> The Auditor General shall review the Final Account of the National Budget produced by the Minister and forward an audit report, along with the Final Account, to the Legislature no later than four ( <b>4) months after receipt</b> of the unaudited Final Account from the Minister (...)  <b>6.</b> The Auditor General shall publish the audit report in the Official Gazette and make it available to the Legislature and	<b>December 31</b>  <b>A:</b> Six months or less after the end of the budget year  <b>B:</b> 12 months or less, but more than six months, after the end of the budget year	Considering that the Year-end report shall be presented within 4 months after the end of the fiscal year and the SAI has according to the PFMA, 4 months for preparing the AR, having the AR within 6 months of the end of the fiscal year to achieve "A" is not realistic. Consider aiming for "B", which is also within the legal terms.  The General Auditing Commission Act considers only 3 months for submitting the audit report, 1 less month than the PFMA. Reviewing and making these regulations consistent will support the clarity of expectations and



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	<p>the public <b>within one month of the completion</b> of said audit report.</p> <p>The General Auditing Commission Act 2014 Section 4.2:</p> <p>“(C) The audit report including the opinion of the Audit General on the Government’s consolidated financial statements shall be submitted to the Legislature no later than <b>three months after</b> receiving the unaudited financial statements from the authorized Minister of the Executive Branch.”</p> <p>(f) Immediately upon audit reports being submitted and received by the Legislature with copies to the President of the Republic, they shall be made public</p>		deadlines. This can be done in the secondary regulation.
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Additionally, to the committed documents to improve mentioned in the Budget Circular, with the timely publication of the Recast Budget Statement, the Mid-Year Review could be a low-hanging fruit. Consider that the only reason for this Recast not being considered was that it was not possible to corroborate the publication before the deadline which could be easily fixed by stating the date of publication in the website of the Ministry (A. Six weeks or less after the midpoint).