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NATIONAL ASSEMBLY OF ZAMBIA
PARLIAMENTARY PROCEDURE

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ABSTRACT SERIES

THE BUDGETARY PROCESS

PREFACE

This Abstract is part of the Zambian Parliamentary Procedure Abstract Series and describes the procedure regarding the Budgetary Process. The Abstract Series is based on the Provisions of the Constitution of Zambia and the National Assembly Standing Orders of 2021. It is hoped that this Abstract will give some basic understanding on the Zambian “Parliamentary Budgetary Process” and serve as a quick reference guide.

It is important, however, to note that the information contained in this Abstract is not exhaustive.

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The Budget

In accordance with Article 202 (1) of the Constitution of Zambia (Amendment) Act No. 2 of 2016, and the National Planning and Budgeting Act No. 1 of 2020, the Budget is defined as a forecast of Governmental expenditures and revenues for the succeeding fiscal year, which operationalises the National Development Plan. In other words, the Budget is a document containing various Government activities or work programmes expressed in monetary form.

According to the National Planning and Budgeting Act, the Minister of Finance is expected to prepare and lay before the National Assembly, the National Budget for the Republic for the next financial year. The Minister is expected to present the Budget, according to the Act, thirty days before the beginning of the following financial year. However, in a year where a general election is held, the Minister is expected to prepare and present to Parliament, the National Budget, within ninety days of swearing in of the President.

The Budget Preparation Process

In the past years, the Ministry of Finance prepared a Budget based on requests of Ministries and departments for funds to execute the policies of the Government. The Ministry of Finance then prepared a preliminary consolidated statement on the estimates of revenue and expenditure which was passed on to the Cabinet for discussion. Upon approval by Cabinet, the Ministry of Finance prepared a consolidated Estimates of Revenue and Expenditure Statement which was presented to the National Assembly in the Budget Address by the Minister of Finance.

However, due to parliamentary and legal reforms, Members of Parliament and the citizenry at district level have been included as stakeholders in the Budget preparation process. Therefore, the Ministry of Finance advertises for submissions on the budget from the citizenry at district level, Members of Parliament, the private sector and the civil society.

In terms of the actual process that is followed, the Planning and Budgeting Act outlines eight (8) steps as follows:

- i) consultation involving the public and other planning structures such as the National Development Coordination Committee (NDCC), Provincial Development Coordination Committee (PDCC), District Development Coordination Committee (DDCC), Ministries, Provincial and other Spending Agencies;
- ii) preparation of the Concept Paper to the Cabinet, seeking its guidance on developmental priorities over the medium term;

- iii) development of the macroeconomic framework for a given three (3) year period which shows the targets on Gross Domestic Product (GDP) growth, strategies for inflation and domestic borrowing;
- iv) issuance of the Green Paper which is a consultative document drawn from the macroeconomic and fiscal frameworks, outlining Government's intentions in a three (3) year horizon;
- v) consolidation of the Fiscal Framework which involves the incorporation of comments by stakeholders as well as the issuance of the Call Circular;
- vi) holding of Budget hearings where Government Institutions present their Budget Framework Papers which are forwarded to Cabinet for approval;
- vii) consolidation and approval of the Budget by the National Assembly;
- viii) implementation of the approved Budget; and
- ix) monitoring or accounting, evaluation and audit of finances on Government Programmes.

Budget Authorisation by Parliament

Following the presentation of the Budget to the National Assembly, the National Assembly is expected to debate the provisions and eventually pass the Budget before the beginning of the new financial year. The process which is followed by the National Assembly after the statement has been presented to Parliament, is outlined in the National Assembly of Zambia Standing Orders of 2021, Standing Order NOs. 156 to 164. The Standing Orders provide that, when the estimates are presented, they are referred to the Expanded Planning and Budgeting Committee for detailed consideration for fifteen sitting days. When the estimates are referred to the Expanded Planning and Budgeting Committee, the House continues with the general policy debate on the estimates as presented in the House. The debate on the general policy does not exceed fifteen sitting days.

On the last day of the debate on the general policy, the Speaker puts all the necessary questions to determine the decision of the House on the Motion to resolve into Committee of Supply. If the House agrees to resolve into Committee of Supply, the House immediately resolves into Committee of Supply. It is important to note that the Assembly may vary estimates but cannot amend the total amount of estimates. At the end of the discussions, the House approves the estimates with or without amendments. In passing or approving the estimates, Parliament also enacts the Appropriation Act, which authorises expenditure from the Consolidated Fund required for the services of the Republic during the financial year.

Budget Execution

Once the Appropriation Act is in place, the President issues a General Warrant addressed to the Secretary to the Treasury in the Ministry of Finance which authorises the Secretary to the Treasury to release funds to Controlling Officers through Treasury Authorities. The General Warrant contains information to the effect

that the Permanent Secretary is authorised and required to spend the amounts specified in relation to the estimates of expenditure for that financial year, as they become due in accordance with the laws and Financial Regulations of the Republic. Upon approval of the estimates of revenue and expenditure, the Minister of Finance appoints Controlling Officers for each particular head of expenditure as accounting officers. The Controlling Officers are usually Permanent Secretaries in Ministries or Chief Executive Officers in Government institutions. The Expenditure Warrants, Treasury Authorities and appointment letters of Controlling Officers are copied to the Auditor-General for verification purposes. A copy of the Expenditure Warrant is also sent to the National Assembly.

However, here are times when certain allocations to Ministries and departments are inadequate for operations. There are also times when funds are required for urgent business and the President feels that, to delay the expenditure through the preparation of Supplementary Estimates, would not be in the public interest. In such circumstances, Article 203 (4) states that “the President may, subject to Article 204, issue a warrant authorising the expenditure and withdrawal from the consolidated fund. In this regard, the Minister responsible for finance is expected to present the warrant referred to above to the relevant parliamentary Committee for approval.

Further, Article 203 (7) stipulates that, “*where expenditure is incurred in accordance with clause (4), the Minister responsible for finance shall, in that financial year, lay an Excess Expenditure Appropriation Bill before the National Assembly for enactment.*” It is to be noted that where it is not practicable to do so, Clause (8) provides for the Minister responsible for finance to “*lay the Excess Expenditure Appropriation Bill before the National Assembly during the first sitting of the National Assembly after the end of the preceding financial year.*”

Audit and Parliament

The Annual Appropriation Act does not contain details of sub-heads, but total amounts on each head of expenditure and if the expenditure appropriated for each head is exceeded, the excess is called unconstitutional expenditure. This matter is contained in the report of the Auditor-General whose responsibility is to satisfy herself/himself that the sums granted by the House to a particular body have been used for their intended purpose, and that the Appropriation Accounts produced by each body properly present the transactions during the year. The Auditor-General then reports on these matters to the House, through the Sessional Committee on Public Accounts.

The work of the Public Accounts Committee is to examine in detail the Accounts of the Republic of Zambia based on the Annual Reports of the Auditor-General and ensure that public funds are used prudently for the purposes for which they were voted by the House. Where the Committee identifies issues relating to the control and management of public funds, Controlling Officers are summoned by the Committee to submit detailed memoranda on issues raised in the Auditor-General’s report. The Committee after hearing and receiving the explanations of Controlling Officers, makes recommendations in the report, which is laid on the Table of the

House for debate, to the Executive for corrective action. The purpose of monitoring the Budget in such a manner is to enhance accountability on the part of executing authorities.
