

The proof is in the pudding of Budget 2022

By [Milton Segal](#), issued by [SAICA](#)

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A week ago, South African President Mr Cyril Ramaphosa, delivered the highly anticipated State of Our Nation, and what measures need to be put in place to restore South Africa's pre-Covid-19 state of affairs. That State Of the Nation Address painted a gloomy picture - a land so full of hope and beauty, a people with an entrepreneurial and defiant spirit, yet tainted by corruption on a grand scale as revealed through the first two Zondo Commission reports.

In some circles, the budget speech is known as the real state of the nation address. It's a simple philosophy – one can have the grandest and greatest plans in the world, but in order to achieve the outcomes, one needs, amongst others: discipline, desire, finances, and approvals.

Financially-minded people relate to budgeting, they understand the financial disciplines required to implement the budget. The modeling, the assumptions, and the scenario planning intrigue those of us with financial and business acumens. But can they be implemented? How realistic is the budget in the 'real world'? Often budgets plan for the known, but will the budget cater sufficiently for that which cannot be forecasted, modeled or predicted? If the pandemic has taught us one thing, it has to be that the new normal may no longer be that new – but it's certainly not normal. The volatility in recent times in world markets, industry, and schooling amongst so many other components, has been astounding.

Given this variability, this unpredictability, our plans, our budgets, and our roadmaps must be transparent. To make them achievable, attainable and motivational, the highest level of transparency is required. In certain ways, it could be compared to a diet. There are hundreds of diets available on the internet. Most look good on paper and seem easy to follow and maintain. However, can one maintain that diet for six months, for a year, or even into perpetuity? The answer unfortunately is most likely, no. Diets, or exercise plans require considerable discipline, a mindset change, a lifestyle change, an integration of balance into one's existence and consistency – so too does a budget.

Transparency in government spending, government collections, government resourcing, procurement and financial management is absolutely essential. Similar to a diet or an exercise regime, the proof will be in the pudding, or in the case of the latter – perhaps in the absence of pudding.

We look forward to a budget that promises ongoing financial management and reflection, transparency and with an end goal in mind. Akin to a diet and exercise, we look forward to a future economy that is leaner, more self-sustaining, less reliant on supplements, and one that will inspire citizens to be more disciplined in their spending, their borrowings, their commitments and their own sustainability.

Accountants, and notably, chartered accountants worldwide have taken the lead in efforts to focus on a more sustainable global economy. The activities by the International Financial Reporting Standards, a foundation rich in financial reporting expertise provided by the International Accounting Standard Board, have launched an International Sustainability Standards Board. Accountants all over the globe, are now translating financial performance and shareholder value into sustainable value that can be created, sustained and delivered to a multitude of stakeholders – not just investors, but economies, societies, neighborhoods, and the environment, for future generations to come. As accountants, there has never been a greater opportunity to lead the financial and sustainable planning environment.

To this end, the role and responsibility of accountants and financially minded professionals to implement and execute the budget is paramount to its portrayed success on paper.

Let us heed the call, be transparent in our actions, and play our role in transparency, ethical conduct and financial planning to the benefit of all stakeholders of our blessed country, South Africa.

ABOUT THE AUTHOR

Milton Segal is executive director: standards at the South African Institute of Chartered Accountants.

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