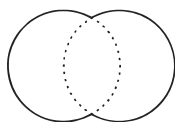


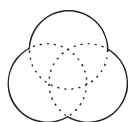
Overview



Transparency:

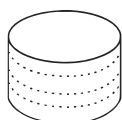
37 /100

(Open Budget Index score)



Public Participation:

7 /100



Budget Oversight:

63 /100

About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

The Open Budget Survey (OBS) is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 9th edition of the OBS covers 125 countries.

Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2023 Global Report, findings for all surveyed countries, and the Data Explorer.

Public availability of budget documents in Sri Lanka

KEY

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

Document	2012	2015	2017	2019	2021	2023
Pre-Budget Statement	⊘	⊘	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	⊘	⊘	⊘	●	⊘	⊘
In-Year Reports	●	●	●	●	⊘	⊘
Mid-Year Review	⊘	⊘	⊘	⊘	⊘	⊘
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

How comprehensive is the content of the key budget documents that Sri Lanka makes available to the public?

KEY	
●	61-100 / 100
●	41-60 / 100
●	1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2023	Published Late
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2023	47
Enacted Budget	The budget that has been approved by the legislature.	2023	89
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2023	Not Produced
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2022	Not Produced
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2022	Not Produced
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2021	55
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2021	33

Sri Lanka's transparency score of **37** in the OBS 2023 is moderately higher than its score in 2021.

What changed in OBS 2023?

Sri Lanka has increased the availability of budget information by:

- Increasing the information provided in the Executive's Budget Proposal.

Recommendations

Sri Lanka should prioritize the following actions to improve budget transparency:

- Publish the Pre-Budget Statement online at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration. This document must include the macroeconomic forecasts upon which the budget will be based; major revenue and expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget; and multi-year revenue and expenditure projections.
- Produce and publish the Citizens Budget, In-Year Reports and Mid-Year Review online in a timely manner.
- Include in the Executive's Budget Proposal data detailing the government's financial position, and alternative displays of expenditures to illustrate the financial impact of policies on different groups of citizens. To further enhance its comprehensiveness, continue the practice of including multi-year expenditure forecasts (at least two years beyond the budget year) across all three budget categories, as well as multi-year revenue projections categorized by sources and specific categories. Additionally, provide expenditure data for BY-2 across all budget classifications, along with revenue estimates and information related to composition of total debt outstanding.
- Include in the Year-End Report comparisons between borrowing estimates and actual outcomes, comparisons between planned nonfinancial outcomes and actual outcomes and comparisons between the original macroeconomic forecast and actual outcomes.
- Improve the comprehensiveness of the Audit Report by including an executive summary.

Recommendations

To further strengthen public participation in the budget process, Sri Lanka's Ministry of Finance should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation. Ensure sufficient transparency by providing clear information on engagement timelines, formats, feedback channels, and the impact of public involvement on decision-making.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Sri Lanka's Parliament should prioritize the following actions:

- Allow members of the public or civil society organizations to testify during its hearings on the budget proposal prior to its approval.
- Allow members of the public or civil society organizations to testify during its hearings on the Audit Report.

Sri Lanka's National Audit Office has established mechanisms for the public to assist in developing its audit program. It should prioritize the following actions to improve public participation in the budget process:

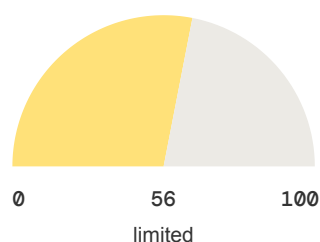
- Establish formal mechanisms for the public to contribute to relevant audit investigations.

Budget Oversight

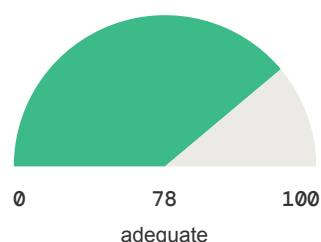
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Sri Lanka, together, provide adequate oversight during the budget process, with a composite oversight score of **63** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

Sri Lanka's Parliament provides limited oversight during the planning stage of the budget cycle and limited oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.
- A legislative committee should examine in-year budget implementation and publish reports with their findings online.
- In practice, ensure the legislature is consulted before the executive reduces spending due to revenue shortfalls.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen independence and improve audit oversight by the Sri Lanka National Audit Office, the following actions are recommended:

- Require legislative or judicial approval to appoint the head of the supreme audit institution.

The emerging practice of establishing independent fiscal institutions

Sri Lanka does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

**These indicators are *not* scored in the Open Budget Survey.*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2022 were assessed in the OBS 2023.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
Sureni Weerathunga and Siyama Ansar
Verité Research
5A Police Park Place, Colombo 00500, Sri Lanka
sureni@veriteresearch.org siyama@veriteresearch.org
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Sri Lanka by a representative of the Ministry of Finance.

Open Budget Survey 2023

Questionnaire

Sri Lanka

May 2024

Country Questionnaire: Sri Lanka

PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2023

Source:

The upcoming budget is for the year 2023. Budget documents available at the Ministry of Finance website: <https://www.treasury.gov.lk/web/budget>

Comment:

Sri Lanka's PBS is produced internally and is not publicly available. Please refer comment on question PBS- 2.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Sri Lanka PBS is available for public in following links <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf> or <https://www.parliament.lk/business-of-parliament/acts-bills?view=actsandbills#current> and <http://documents.gov.lk/en/bills.php>

PBS-2. When is the PBS made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.

Answer:

d. The PBS is not released to the public, or is released less than one month before the Executive's Budget Proposal is introduced to the legislature

Source:

Link to Budget Call 2023 for the ministries (Please refer circular number 05/2022, date: 02-09-2022) <https://www.treasury.gov.lk/api/file/f23be152-fbb5-472f-b499-789a9b5d091d>

Comment:

The public authority does not make the PBS publicly available prior to the Executive Budget Proposal. However, the 2023 Executive Budget Proposal is prepared in accordance with the Medium-Term Budgetary Framework 2023-2025. This is highlighted in the Budget Call 2023 where ministries and administrative units are advised to ensure that budget proposals are aligned with the Medium-Term Budgetary Framework 2023-2025. Hence, the PBS is an internal document.

Peer Reviewer

Opinion: Agree

Comments: Agreed with (d) but not with "comment". The PBS is publicly available. There is no document called Medium-Term budget Framework. It is more like a concept of multi year budget ceilings (which are not binding). To facilitate the medium-term perspective, as part of the annual budget process, the government prepares forward estimates for the two years beyond the current budget year. The term MTBF may also be used interchangeably with Medium-term macro-fiscal framework or Medium-term fiscal framework in Sri Lanka. The pre-budget document of Sri Lanka is "Fiscal Strategy Statement" which is currently included in "Fiscal Management Report". The Finance Minister tables and publishes the Government's fiscal strategy statement on the day of the second reading of the annual Appropriation Bill (usually mid-November). The statement is intended to increase public awareness of the fiscal strategy and establish the basis upon which the Government's fiscal performance can be evaluated. It also includes MTFF. However, the fiscal strategy statement is currently published after the draft Budget is released. This Fiscal Management Report 2023 (published on Nov 14, 2022) contains a "Fiscal Strategy Statement - 2023" which presents the Government's fiscal strategy statement indicating the broad strategic priorities specifying key fiscal measures, and the Medium-Term Macro Fiscal Framework from 2022 to 2027 which the Government considers important for the overall fiscal policy. The fiscal strategy statement is prepared before the budget but placed before Parliament on the day of the second reading of the Appropriation Bill. FY the publication date is Nov 14, 2022 <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Government Reviewer

Opinion: Disagree

Suggested Answer: b. At least two months, but less than four months, in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Comments: In Sri Lankan context the budget call circular is issued to inform spending agencies to prepare and submit their budget requirements for the upcoming year. Once we received requests for provisions Appropriation bill is prepared and submitted to the Cabinet of Ministers for approval to table it in the Parliament. After obtaining the approval of Cabinet of Ministers, Appropriation Bill is published in the gazette. Accordingly, researcher's identification of PBS is believed to be incorrect. Our PBS available in <http://documents.gov.lk/en/bills.php> once it is approved by the Cabinet of Ministers.

Researcher Response

The public authority does not make the PBS publicly available prior to the Executive Budget Proposal. However, the 2023 Executive Budget Proposal is prepared in accordance with the Medium Term Budgetary Framework 2023-2025. This is highlighted in the Budget Call 2023 where ministries and administrative units are advised to ensure that budget proposals are aligned with the Medium Term Budgetary Framework 2023-2025. While the Budget Call presents broad macroeconomic indicators and broad proposals, it lacks comprehensive budget estimates. Budget limits are referenced in the Integrated Treasury Management Information System (ITMIS), which includes ceilings for the overall budget, individual ministries, and capex. Consequently, such information is disclosed with the release of the appropriation bill, a component of the EBPs. The Budget Call primarily serves as an internal guideline, potentially interpretable as the PBS. Furthermore, the 'Fiscal Management Report 2023,' published on November 14, 2022, contains a section titled 'Fiscal Strategy.' This section includes elements akin to a PBS, such as a fiscal strategy statement and macroeconomic forecasts. This report incorporates the Medium Term Framework and provides indicators, including projections for the forthcoming budget. Under the title "Budget, Economic and Fiscal Position Report - 2023" on page 11, it states, 'This Report also refers to the basis of information on economic and other assumptions used in preparation of estimates for 2023.' This suggests that the report could be viewed as the PBS. Additionally, "Section 4: Basis Used for Preparation of 2023 Budget" and "Annex III: Assumptions for Revenue Estimates - 2023" (on page 82), offer information that could be considered parts of the PBS. However, these are not published before the EBPs but are tabled in Parliament simultaneously with the EBPs.

IBP Comment

The comments from the reviewers and the researcher are well received with thanks. It is important to mention that the OBS methodology requires that for a Pre Budget Statement (PBS) to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. Since the document in analysis (Fiscal Management Report 2023) is presented together with the executive budget proposal, this document does not comply with the timeliness criteria to be considered publicly available. In turn, it has been considered published late. Moreover, it is also important to note that a PBS includes information on macroeconomic forecasts upon which the budget will be based; major revenue and expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget; and multi-year revenue and expenditure projections. These estimates should reflect the assumptions in preparation for the next budget year. In the case of Sri Lanka, even though some information is present, in general, the estimates are presented as % of GDP, without nominal GDP being presented. This situation makes the analysis of the trends more difficult and therefore challenges the purpose of informing the public about projected trends. As a recommendation, the government should publish this document in a timely manner and incorporate data on nominal GDP to facilitate the public's understanding.

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

14/11/2022

Source:

n/a

Comment:

Sri Lanka's PBS is an internal document and is not publicly available. Please refer comment on question PBS- 2.

Peer Reviewer

Opinion: Disagree

Suggested Answer: 14/11/2022

Comments: Please refer to my previous comment .This Fiscal Management Report 2023 (published on Nov 14, 2022) contains a "Fiscal Strategy Statement - 2023" which presents the Government's fiscal strategy statement indicating the broad strategic priorities specifying key fiscal measures, and the Medium-Term Macro Fiscal Framework from 2022 to 2027 which the Government considers important for the overall fiscal policy. The fiscal strategy statement is prepared before the budget but be placed before Parliament on the day of the second reading of the Appropriation Bill. FY23- the publication date is Nov 14, 2022 <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Government Reviewer

Opinion: Disagree

Suggested Answer: 30/09/2022 THE GAZETTE OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA Part II of September 30, 2022

Researcher Response

In the 'Fiscal Management Report 2022,' published on November 14, 2022. Typically, a PBS is released well before the Executive's Budget Proposal to facilitate public discussion and legislative scrutiny, but this document was released/ tabled at the Parliament on the same day as the EBPs.

IBP Comment

The comments are well received with thanks. In light of the arguments presented, on this opportunity, the PBS is considered not publicly available but published late. For a detailed explanation please refer to the comment in question PBS-2. Wayback machine also supports the date suggested by the researcher 14.11.2022. https://web.archive.org/web/20221201000000*/https://www.treasury.gov.lk/web/fiscal-management/section/2023

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

According to document's properties, the last modified date of the document is 11 December 2002.
The PBS was tabled at the Parliament on 14th November 2022.

Source:

n/a

Comment:

Sri Lanka's PBS is an internal document and is not publicly available. Please refer comment on question PBS- 2.

Peer Reviewer

Opinion: Disagree

Suggested Answer: FY the publication date is Nov 14, 2022 <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comments: This Fiscal Management Report 2023 (published on Nov 14, 2022) contains a "Fiscal Strategy Statement - 2023" which presents the Government's fiscal strategy statement indicating the broad strategic priorities specifying key fiscal measures, and the Medium-Term Macro Fiscal Framework from 2022 to 2027 which the Government considers important for the overall fiscal policy. The fiscal strategy statement is prepared before the budget but be placed before Parliament on the day of the second reading of the Appropriation Bill. FY the publication date is Nov 14, 2022 <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Government Reviewer

Opinion: Disagree

Suggested Answer: As per the procedures stipulated in the Constitution to enact an Act in the Parliament.

IBP Comment

The comments are well received with thanks. In light of the arguments presented, on this opportunity, the PBS is considered not publicly available. For a detailed explanation please refer to the comment in question PBS-2.

PBS-4. If the PBS is published, what is the URL or weblink of the PBS?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Source:

n/a

Comment:

Sri Lanka's PBS is an internal document and is not publicly available. Please refer comment on question PBS- 2.

Peer Reviewer

Opinion: Disagree

Suggested Answer: 14/11/2022

Comments: FY the publication date is Nov 14, 2022 <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Government Reviewer

Opinion: Disagree

Suggested Answer: http://documents.gov.lk/files/bill/2022/10/272-2022_E.pdf

Researcher Response

Link to the Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

IBP Comment

The comments are well received with thanks. In light of the arguments presented, on this opportunity, the PBS is considered not publicly available. For a detailed explanation please refer to the comment in question PBS-2.

PBS-5. If the PBS is published, are the numerical data contained in the PBS available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) or HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the PBS is not publicly available, therefore its machine readability cannot be assessed.

Answer:

d. Not applicable

Source:

n/a

Comment:

Sri Lanka's PBS is an internal document and is not publicly available. Please refer comment on question PBS- 2.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Disagree

Suggested Answer: c. No

Comments: We publish PBS in PDF format

IBP Comment

The comments are well received with thanks. In light of the arguments presented, on this opportunity, the PBS is considered not publicly available. For a detailed explanation please refer to the comment in question PBS-2.

PBS-6a. If the PBS is not publicly available, is it still produced?

If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

a. Produced but made available online to the public too late (published after the acceptable time frame)

Source:

Link to Budget Call 2023 for the ministries (Please refer circular number 05/2022, date: 02-09-2022)
<https://www.treasury.gov.lk/api/file/f23be152-fbb5-472f-b499-789a9b5d091d>

Comment:

The 2023 Executive Budget Proposal is prepared in accordance with the Medium-Term Budgetary Framework 2023-2025. This is highlighted in the Budget Call 2023 where ministries and administrative units are advised to ensure that budget proposals are aligned with the Medium-Term Budgetary Framework 2023-2025. Therefore, the PBS is an internal document.

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Produced but made available online to the public too late (published after the acceptable time frame)

Comments: The fiscal strategy statement is prepared before the budget but be placed before Parliament on the day of the second reading of the Appropriation Bill.

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable (the document is publicly available)

Comments: PBS is available in online. Please, find it through http://documents.gov.lk/files/bill/2022/10/272-2022_E.pdf

Researcher Response

The public authority does not make the PBS publicly available prior to the Executive Budget Proposal. However, the 2023 Executive Budget Proposal is prepared in accordance with the Medium-Term Budgetary Framework 2023-2025. This is highlighted in the Budget Call 2023 where ministries and administrative units are advised to ensure that budget proposals are aligned with the Medium-Term Budgetary Framework 2023-2025. While the Budget Call presents broad macroeconomic indicators and broad proposals, it lacks comprehensive budget estimates. Budget limits are referenced in the Integrated Treasury Management Information System (ITMIS), which includes ceilings for the overall budget, individual ministries, and capex. Consequently, such information is disclosed with the release of the appropriation bill, a component of the EBPs. The Budget Call primarily serves as an internal guideline, potentially interpretable as the PBS. Furthermore, the 'Fiscal Management Report 2023,' published on November 14, 2022, contains a section titled 'Fiscal Strategy.' This section includes elements akin to a PBS, such as a fiscal strategy statement and macroeconomic forecasts. This report incorporates the Medium-Term Framework and provides indicators, including projections for the forthcoming budget. Under the title "Budget, Economic and Fiscal Position Report - 2023" on page 11, it states, 'This Report also refers to the basis of information on economic and other assumptions used in preparation of estimates for 2023.' This suggests that the report could be viewed as the PBS. Additionally, "Section 4: Basis Used for Preparation of 2023 Budget" and "Annex III: Assumptions for Revenue Estimates – 2023" (on page 82), offer information that could be considered parts of the PBS. However, these are not published before the EBPs but are tabled in Parliament simultaneously with the EBPs.

IBP Comment

The comments are well received with thanks. In light of the arguments presented, on this opportunity, the PBS is considered not publicly available but published late. For a detailed explanation please refer to the comment in question PBS-2.

PBS-6b. If you selected option "c" or "d" in question PBS-6a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer:

The Budget Call 2023 requests that all ministries to submit their budgets for the National Budget in accordance with the Medium-Term Budgetary Framework 2023-2025 which outlines the government's budgetary targets. However, the Medium-Term Budgetary Framework for 2023-2025 is not made available to the public yet (as of 30th March 2023). Latest publicly available Medium Term Macro Fiscal Framework 2021-2025 has been published online in November FY 2021.

Source:

Link to Budget Call 2023 for the ministries (Please refer circular number 05/2022, date: 02-09-2022): <https://www.treasury.gov.lk/api/file/f23be152-fbb5-472f-b499-789a9b5d091d>

Medium Term Macro Fiscal Framework 2021-2025: (<https://www.treasury.gov.lk/web/fiscal-strategy/section/medium%20term%20macro%20fiscal%20framework%20from%202021%20to%202025>); (<https://www.treasury.gov.lk/api/file/137ffbd6-1f23-4c95-a863-3958fbf7e87b>)

Comment:

The Budget Call 2023 requests that all ministries to submit their budgets for the National Budget in accordance with the Medium-Term Budgetary Framework 2023-2025 which outlines the government's budgetary targets. However, the Medium-Term Budgetary Framework for 2023-2025 is not made available to the public yet (as of 30th March 2023). Latest publicly available Medium Term Macro Fiscal Framework 2021-2025 has been published online in November FY 2021.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

Comments: please see my previous comment

Government Reviewer

Opinion: Agree

Comments: Usually, the National Budget Estimates is prepared by using Computerized Management Information System and when preparing estimates for the year 2023 we came across a technical issue and therefore, we were not able to publish projections for Medium Term because of strict time schedule of publishing the final estimates. Now we have resolved the system issue and expect to prepare and publish 2024 budget with Medium Term.

Researcher Response

The public authority does not make the PBS publicly available prior to the Executive Budget Proposal. However, the 2023 Executive Budget Proposal is prepared in accordance with the Medium-Term Budgetary Framework 2023-2025. This is highlighted in the Budget Call 2023 where ministries and

administrative units are advised to ensure that budget proposals are aligned with the Medium-Term Budgetary Framework 2023-2025. While the Budget Call presents broad macroeconomic indicators and broad proposals, it lacks comprehensive budget estimates. Budget limits are referenced in the Integrated Treasury Management Information System (ITMIS), which includes ceilings for the overall budget, individual ministries, and capex. Consequently, such information is disclosed with the release of the appropriation bill, a component of the EBPs. The Budget Call primarily serves as an internal guideline, potentially interpretable as the PBS. Furthermore, the 'Fiscal Management Report 2023,' published on November 14, 2022, contains a section titled 'Fiscal Strategy.' This section includes elements akin to a PBS, such as a fiscal strategy statement and macroeconomic forecasts. This report incorporates the Medium-Term Framework and provides indicators, including projections for the forthcoming budget. Under the title "Budget, Economic and Fiscal Position Report - 2023" on page 11, it states, 'This Report also refers to the basis of information on economic and other assumptions used in preparation of estimates for 2023.' This suggests that the report could be viewed as the PBS. Additionally, "Section 4: Basis Used for Preparation of 2023 Budget" and "Annex III: Assumptions for Revenue Estimates – 2023" (on page 82), offer information that could be considered parts of the PBS. However, these are not published before the EBPs but are tabled in Parliament simultaneously with the EBPs.

IBP Comment

The comments are well received with thanks. In light of the arguments presented, on this opportunity, the PBS is considered not publicly available but published late. For a detailed explanation please refer to the comment in question PBS-2.

PBS-7. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2023 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2022/23."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

The name of the report 'Fiscal Management Report 2023,' published on November 14, 2022.

Source:

n/a

Comment:

Sri Lanka's PBS is an internal document and is not publicly available. Please refer comment on question PBS- 2.

Peer Reviewer

Opinion: Disagree

Suggested Answer: The Fiscal Strategy Statement 2023

Comments: The Fiscal Strategy Statement is prepared under Sections 4, 5 and 6 of the Fiscal Management (Responsibility) Act, No. 3 of 2003 where the Minister of Finance is required to present the Fiscal Strategy Statement of the Government to the public and also lay before Parliament on the day of the second reading of the Appropriation Bill in Parliament. This report explains the broad strategic priorities on which the budget is based while specifying the key fiscal measures which the Government considers important in view of the strategy and the overall fiscal policy to be implemented. Not public for Budget 2023.

Government Reviewer

Opinion: Disagree

Suggested Answer: "Appropriation A Bill" to provide for the service of the financial year 2023

Researcher Response

The name of the report 'Fiscal Management Report 2023,' published on November 14, 2022.

IBP Comment

The comments are well received with thanks. In light of the arguments presented, on this opportunity, the PBS is considered not publicly available but published late. For a detailed explanation please refer to the comment in question PBS-2.

PBS-8. Is there a "citizens version" of the PBS?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

n/a

Comment:

Sri Lanka's PBS is an internal document and is not publicly available. Please refer comment on question PBS- 2.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: Citizen Version of 2023 Budget is available at <https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb> Further, separate simplified version of budget including the activities implement by responsible spending agencies is available at <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0> and this is the report that table in the Parliament with separate version of detailed budget estimates.

Researcher Response

The 'Fiscal Management Report 2023,' released on November 14, 2022, is regarded as the Pre-Budget Statement (PBS) based on the feedback from Peer Reviews. However, a version of this document tailored for citizens is not available.

IBP Comment

The comments are well received with thanks. In light of the arguments presented, on this opportunity, the PBS is considered not publicly available but published late. For a detailed explanation please refer to the comment in question PBS-2.

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2023

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The Department of National Budget of the Ministry of Finance compiles the Executive Budget Proposal in November of the year preceding the fiscal year (the Appropriation Bill, Budget Estimates (Draft), Budget Speech and the Fiscal Management Report).

The general practice is for the Appropriation Bill to be published on the Parliament website and the Draft Budget Estimates, Budget Speech, and the Fiscal Management Report to be published on the Ministry of Finance website before the end of the fiscal year (in this scenario, 31st December 2022).

The Draft Budget Estimates in particular are published on the Ministry of Finance website in 3 volumes post second reading of the Appropriation Bill. For the 2023 fiscal year these documents were published on the Ministry of Finance website post presentation to the Parliament and were available to the public. The draft estimates contain a bulk of the governments expenditure programmes and includes the following information:

1. Expenditure details by Ministries including their key functions and institutions coming under their purview
2. Detailed expenditure of each spending agency under a ministry

It provides the most disaggregated information on government expenditure for the upcoming fiscal year.

These budget estimates were provided to Members of Parliament in the form of a physical copy and CD on the day of the second reading of the Appropriation Bill.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-1b. When is the EBP submitted to the legislature for consideration?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

18/10/2022

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645->

Comment:

The date given above in the answer corresponds to the date The Leader of the House of Parliament, Hon. (Dr.) Susil Premajayantha, on behalf of the Minister of Finance, presented the Appropriation Bill to the Parliament. This is considered as the first reading of the Appropriation Bill to the Parliament. The dates for the second and third reading are as follows:

Second reading – 14/11/2022

Third reading: 08/12/2022

The EBP is generally submitted to the legislature in November of the year preceding the fiscal year. For example, for FY2023, the Appropriation Bill 2023 was presented to the Parliament on 18th October 2022; the Budget Estimates (Draft) 2023 was presented to the Parliament on 14th November 2022; the Budget Speech 2023 was presented to the Parliament on 14th November 2022; and the Fiscal Management Report 2023 was presented to the Parliament on 14th November 2022.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EBP-2. When is the EBP made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.

The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- *The executive does not submit the draft budget to the legislature; or*
- *The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;*
- *The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or*
- *There is no legislature, or the legislature has been dissolved.*

Answer:

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

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The Appropriation Bill is the first document that is presented and it is available over two months prior to the budget year. Other documents that are submitted with the second reading of the budget are presented less than two months into the budget year.

The EBP is generally submitted to the legislature in November of the year preceding the fiscal year. For example, for FY2023, the Appropriation Bill 2023 was presented to the Parliament on 18th October 2022; the Budget Estimates (Draft) 2023 was presented to the Parliament on 14th November 2022; the Budget Speech 2023 was presented to the Parliament on 14th November 2022; and the Fiscal Management Report 2023 was presented to the Parliament on 14th November 2022.

The Appropriation Bill 2023 was issued to public on 19-10-2022 (based on the "modified date") and the Budget Speech 2023 was made available to the public on 14-11-2022 (based on the "modified date")

The general practice is for the Appropriation Bill to be published on the Parliament website and the Draft Budget Estimates, Budget Speech, and the Fiscal Management Report to be published on the Ministry of Finance website before the end of the fiscal year (in this scenario, 31st December

2022).

The Draft Budget Estimates in particular are published on the Ministry of Finance website in 3 volumes post second reading of the Appropriation Bill. For the 2023 fiscal year these documents were published on the Ministry of Finance website post presentation to the Parliament and were available to the public. The draft estimates contain a bulk of the governments expenditure programmes and includes the following information:

1. Expenditure details by Ministries including their key functions and institutions coming under their purview
2. Detailed expenditure of each spending agency under a ministry

It provides the most disaggregated information on government expenditure for the upcoming fiscal year.

These budget estimates were provided to Members of Parliament in the form of a physical copy and CD on the day of the second reading of the Appropriation Bill.

Peer Reviewer

Opinion: Agree

Comments: That is correct. The Appropriation Bill for the forthcoming financial year is usually submitted to the Parliament no later than 15 October of the year preceding the year for which the Annual Budget is prepared

Government Reviewer

Opinion: Agree

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.

Answer:

19/10/2022

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The Appropriation Bill 2023 was issued to public on 19-10-2020 (based on the "modified date") and presented to the Parliament on 18-10-2020.

The Budget Speech 2023 was presented to the Parliament on 14-11-2022 and made available to the public on 14-11-2022 (based on the "modified date")

The Budget Estimates (Draft) 2023 was presented to the Parliament on 14-11-2022 made available to the public on 14-11-2022 (based on the "modified date")

Fiscal Management Report 2023 was presented to the Parliament on 14-11-2022 made available to the public on 12-11-2022 (based on the "modified date")

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: 14/11/2022

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date that the documents were presented to the Parliament was determined to be the date of publication. This date can be observed from the website of the Parliament of Sri Lanka which contains a link to the document or through the date on the document itself. The public availability of the document is based on the document's uploaded date (i.e., the last modified date). For the case of the Appropriation Bill 2023, the date of creation and last modified date is the same, 19/10/23.

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The EBP is generally submitted to the legislature in November of the year preceding the fiscal year. For example, for FY2023, the Appropriation Bill 2023 was presented to the Parliament on 18th October 2022; the Budget Estimates (Draft) 2023 was presented to the Parliament on 14th November 2022; the Budget Speech 2023 was presented to the Parliament on 14th November 2022; and the Fiscal Management Report 2023 was presented to the Parliament on 14th November 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-4. If the EBP is published, what is the URL or weblink of the EBP?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf> Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442> Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55> Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca> Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8> Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Apart from the publications mentioned by the researcher, activity version budget is also published at <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting documents available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the EBP is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The documents are in PDF format, which is not considered as a machine-readable format for numerical data.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

EBP-6a. If the EBP is not publicly available, is it still produced?

If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The Appropriation Bill is the first document that is presented, and it is available over two months prior to the budget year. Other documents that are

submitted with the second reading of the budget are presented less than two months into the budget year.

The EBP is generally submitted to the legislature in November of the year preceding the fiscal year. For example, for FY2023, the Appropriation Bill 2023 was presented to the Parliament on 18th October 2022; the Budget Estimates (Draft) 2023 was presented to the Parliament on 14th November 2022; the Budget Speech 2023 was presented to the Parliament on 14th November 2022; and the Fiscal Management Report 2023 was presented to the Parliament on 14th November 2022.

The Appropriation Bill 2023 was issued to public on 19-10-2022 (based on the "modified date") and the Budget Speech 2023 was made available to the public on 14-11-2022 (based on the "modified date")

The general practice is for the Appropriation Bill to be published on the Parliament website and the Draft Budget Estimates, Budget Speech, and the Fiscal Management Report to be published on the Ministry of Finance website before the end of the fiscal year (in this scenario, 31st December 2022).

The Draft Budget Estimates in particular are published on the Ministry of Finance website in 3 volumes post second reading of the Appropriation Bill. For the 2023 fiscal year these documents were published on the Ministry of Finance website post presentation to the Parliament and were available to the public. The draft estimates contain a bulk of the governments expenditure programmes and includes the following information:

1. Expenditure details by Ministries including their key functions and institutions coming under their purview
2. Detailed expenditure of each spending agency under a ministry

It provides the most disaggregated information on government expenditure for the upcoming fiscal year.

These budget estimates were provided to Members of Parliament in the form of a physical copy and CD on the day of the second reading of the Appropriation Bill.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-7. If the EBP is produced, please write the full title of the EBP.

For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2022-23, produced by the Ministry of Finance, Planning and Economic Development."

If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Appropriation, A Bill, Democratic Socialist Republic of Sri Lanka Bill No.154. Budget Estimates 2023 (Draft) Volume I. Budget Estimates 2023 (Draft) Volume II. Budget Estimates 2023 (Draft) Volume III. Budget Speech 2023. Fiscal Management Report 2023.

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

Appropriation Bill, Budget Speech, Budget Estimates (Draft) and Fiscal Management Report - are public friendly version of budget proposals and provides changes in expenditure, income and financing sides. They are published in all three languages, Sinhala, Tamil and English.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Title of the activity version budget that is published at <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0> is "Budget Estimates 2023"

EBP-8. Is there a "citizens version" of the EBP?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

'Budget 2023 for What for Whom' is a citizens's version of EBP. Link to the 'National Budget 2023 For What for Whom': <https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

Link to the budget highlights 2023: <https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Comment:

' The Ministry of Finance has a "Budget Highlights" section that provides information on the following sectors:

Health, Agriculture, Public services, Environment, forest conservation & wildlife, Trade, industries & economic services, public security, Urban development, Education, Social protection, Transport, Human resources for equitable society.

MoF also provides a separate report titled "National Budget for What, for Whom 2023" summarizing key highlights of the expenditure estimates of 2023 Budget, on afore-mentioned 11 sectors.

For each of these sectors, a sub sector breakdown is provided. For example, in the agriculture sector, the sub sectors are Paddy and field crops, irrigation, livestock, plantation, fisheries, lands, subsidy programs.

'National Budget for What for Whom 2023' is not a complete citizens budget for the fiscal year 2023, as it does not cover/ capture all the ministries in the document.

In addition, it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: Activity version of budget published at <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0> as a simplified version is covered government all fiscal operations including revenue, expenditure and financing.

IBP Comment

The comment provided by the Government Reviewer is well received with thanks. However, the link provided in this occasion corresponds to the budget estimates for 2023. This document does not constitute a citizen's budget as per the OBS methodology requirements and therefore, the selected answer (b) must be maintained.

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2023

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Comment:

The Appropriation Act is the enacted budget, but the details of the budget are available in the finalized (approved) budget estimates. Therefore, both these documents were considered for the survey.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-1b. When was the EB approved (enacted) by the legislature?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

8/12/2022

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Comment:

Peer Reviewer

Opinion: Agree

Comments: the date is correct, but the link doesn't work. information on Parliamentary approval can also be found here:

<https://www.parliament.lk/news-en/view/2986>

Government Reviewer

Opinion: Agree

EB-2. When is the EB made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.

Answer:

a. Two weeks or less after the budget has been enacted

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Comment:

The Appropriation Act was published in the gazette on 09-12-2022 but available online on 13-12-2022 (based on the "last modified" date) on the Department of Government Printing website.

Budget estimates (Approved) were provided to Members of Parliament in the form of a physical copy and CD on the day of the second reading (08-12-2022) and this was published on the MoF website on 08-12-2022.

Note: The Tamil version of the Appropriation Act has been published on 13/12/2022 as of the document properties (Link: http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf). However, it is noteworthy that the Appropriation Act in English and Sinhala shows unrealistic and conflicting dates as publication date under the 'document properties'. As per the parliament website the link to all these documents have been endorsed on 08/12/2022. Given the benefit of the doubt I agree to edit the publication date to 13/12/2023 since Appropriation Act (in Tamil) was published that day.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Further, simplified version of budget estimate also published as Budget Estimate 2023 after enacting. The URL is <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

EB-3a. If the EB is published, what is the date of publication of the EB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

13/12/2022

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Comment:

The Appropriation Act was published in the gazette on 09-12-2022 but available online on 13-12-2022 (based on the "last modified" date) on the Department of Government Printing website.

Budget estimates (Approved) were provided to Members of Parliament in the form of a physical copy and CD on the day of the second reading (08-12-2022) and this was published on the MoF website on 08-12-2022.

Note: The Tamil version of the Appropriation Act has been published on 13/12/2022 as of the document properties (Link: http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf). However, it is noteworthy that the Appropriation Act in English and Sinhala shows unrealistic and conflicting dates as publication date under the 'document properties'. As per the parliament website the link to all these documents have been endorsed on 08/12/2022. Given the benefit of the doubt I agree to edit the publication date to 13/12/2023 since Appropriation Act (in Tamil) was published that day.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Further, simplified version of budget estimate also published on 13/12/2022 as Budget Estimate 2023 after enacting. The URL is <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date of the documents presented to the Parliament is observed from the website of the Parliament of Sri Lanka which contains a link to the document or through the date on the document itself. The public availability of the document is based on the document's uploaded date (i.e., the last modified date)

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790955>

Comment:

The date of the Appropriation Act presented to the Parliament is observed through the date on the document itself and the date it was made available to the public is observed through the "last modified" date on the Department of Government Printing website.

The date of the Appropriation Act presented to the Parliament is observed through the date when Budget estimates (Approved) were provided to Members of Parliament in the form of a physical copy and CD on the day of the second reading (08th December 2022) and the date it was made available to the public is observed through the "last modified" date on the MoF website.

Note: The Tamil version of the Appropriation Act has been published on 13/12/2022 as of the document properties (Link: http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf). However, it is noteworthy that the Appropriation Act in English and Sinhala shows unrealistic and conflicting dates as publication date under the 'document properties'. As per the parliament website the link to all these documents have been endorsed on 08/12/2022. Given the benefit of the doubt I agree to edit the publication date to 13/12/2023 since Appropriation Act (in Tamil) was published that day.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-4. If the EB is published, what is the URL or weblink of the EB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

Appropriation Act, No. 43 of 2022: <https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>
<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf> http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf
http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>
<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf>
http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf
http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>
Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>
Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790955>

Comment:

The Appropriation Act was published in the gazette on 09-12-2022 but available online on 13-12-2022 (based on the "last modified" date) on the Department of Government Printing website.

Budget estimates (Approved) were provided to Members of Parliament in the form of a physical copy and CD on the day of the second reading (08-12-2022) and this was published on the MoF website on 08-12-2022.

Note: The Tamil version of the Appropriation Act has been published on 13/12/2022 as of the document properties (Link: http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf). However, it is noteworthy that the Appropriation Act in English and Sinhala shows unrealistic and conflicting dates as publication date under the 'document properties'. As per the parliament website the link to all these documents have been endorsed on 08/12/2022. Given the benefit of the doubt I agree to edit the publication date to 13/12/2023 since Appropriation Act (in Tamil) was published that day.

Peer Reviewer

Opinion: Agree

Comments: the link (<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf> <https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf> http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf) only opens Parliament general website page

Government Reviewer

Opinion: Agree

Comments: Further, simplified version of budget estimate also published as Budget Estimate 2023 after enacting. The URL is <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

EB-5. If the EB is published, are the numerical data contained in the EB available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the EB is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790955>

Comment:

The documents are in PDF format, which is not considered as a machine-readable format for numerical data.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

EB-6a. If the EB is not publicly available, is it still produced?

If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790955>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-6b. If you selected option "c" or "d" in question EB-6a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-7. If the EB is produced, please write the full title of the EB.

For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2023."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Appropriation Act, No. 43 of 2022 EB supporting documents - Budget Estimates (Approved) 2023 Volume I, Budget Estimates (Approved) 2023 Volume II and Budget Estimates (Approved) 2023 Volume III.

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

<https://www.parliament.lk/uploads/acts/gbills/tamil/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_T.pdf

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790955>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Further, simplified version of budget estimate also published as "Budget Estimate 2023" after enacting. The URL is <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

EB-8. Is there a "citizens version" of the EB?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see:

<https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Website of the Ministry of Finance: <http://www.treasury.gov.lk/> (<http://www.treasury.gov.lk/>)

Comment:

The government includes graphical presentations for the EBP and not for the EB.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: URL for Citizen version <https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb> Further, URL for simplified version of estimate 2023 <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

IBP Comment

The comment from the government reviewer is well received with thanks. However, in this opportunity, the document provided in the comment does not meet the methodological criteria for considering it a citizen's budget. This is because it only shows certain ministries and expenditure priorities for the budget year 2023 and not a full and holistic view of the entire budget. Moreover, the tables presented in the document do not explain the rationale for the spending and policy goals for that year. This is critical if the aim is to make the budget accessible to citizens. Due to these reasons, the selected answer (b) must be maintained.

CB-1. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.

Answer:

FY 2023

Source:

National Budget for What for Whom 2023' (Budget Highlights) is an incomplete citizens' version of EBP.

Link to the 'National Budget for What for Whom 2023': <https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: URL for Simplified version of budget estimate 2023 <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e2400e49b0>

IBP Comment

The comment from the government reviewer is well received with thanks. However, the link presented corresponds to the budget estimates for 2023, which do not constitute a citizen's budget.

CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.

Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

Answer:

d. Not produced at all

Source:

n/a

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizens budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable (the document is publicly available)

Comments: Simplified version of budget estimate (Citizen Budget) captures holistic view of government fiscal operations such as revenue government expenditure and financing is available at <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

IBP Comment

The comment from the government reviewer is well received with thanks. However, in this opportunity, the document provided in the comment corresponds to the budget estimates for 2023 and it does not constitute a citizen's budget as per the survey methodology. The selected answer (d) is maintained.

CB-2b. If you selected option "c" or "d" in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."

Answer:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Source:

n/a

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Simplified version of budget estimate (Citizen Budget) captures holistic view of government fiscal operations such as revenue, government expenditure and financing is available at <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

IBP Comment

Refer to previous comment

CB-3a. If the CB is published, what is the date of publication of the CB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.

Answer:**Source:**

n/a

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: 08/12/2022

CB-3b. In the box below, please explain how you determined the date of publication of the CB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

n/a

Source:

n/a

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: As soon as the Parliament enacted the budget CB is published as activity version of budget estiamte and the URL is <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

IBP Comment

The comment from the government reviewer is well received with thanks. However, in this opportunity, the document provided in the comment does not meet the methodological criteria for considering it a citizen's budget. the document provided is in fact the budget estimates for 2023 and do not constitute a citizen's budget as per the survey's methodology.

CB-4. If the CB is published, what is the URL or weblink of the CB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:

Source:

n/a

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202024>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: <https://www.treasury.gov.lk/api/file/817341f9-142b-44cc-a649-0e24000e49b0>

CB-5. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2022 People's Guide" or "2023 Proposed Budget in Brief: A People's Budget Publication."

If the document is not produced at all, researchers should mark this question "n/a."

If more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.

Answer:

n/a

Source:

n/a

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202025>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: BUDGET ESTIMATES - 2023

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.

Answer:

n/a

Source:

n/a

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202026>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Detailed budget estimates in three volumes Volume I - <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2> Volume II - <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea> Volume III -

<https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

IBP Comment

The government reviewer's comment is well received with thanks. However, the documents presented do not correspond to a citizen's budget as per the survey methodology.

IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2022

Source:

Link for the Central Bank of Sri Lanka Monthly Bulletin - <https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-bulletin>

Link for the Central Bank of Sri Lanka Monthly Indicators: <https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-indicators>

Link for the Central Bank of Sri Lanka Weekly Indicators:

<https://www.cbsl.gov.lk/en/statistics/economic-indicators/weekly-indicators>

Link for the Data and Statistics page of Ministry of Finance site:

<https://www.treasury.gov.lk/web/data-and-statistics-published-by-ministry-of-finance/section/data%20and%20statistics%20published%20by%20ministry%20of%20finance>

Comment:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

However, the Central Bank of Sri Lanka publishes a monthly bulletin that provides the following on a monthly level. At the time of submitting the answers, the latest available monthly bulletin was August - December 2022 showing the fiscal performance until November 2022.

1. Economic Classification of Government Fiscal Operations – Overall performances of Revenue, Expenditure and associated budget balances are provided alongside a breakdown of domestic and foreign financing.
2. Economic Classification of Government Revenue – Major components of Tax Revenue and Non-Tax revenue and their related performances are provided.
3. Economic Classification of Government Expenditure – Major components of Recurrent Expenditure and overall Capital Expenditure and their related performances are provided.
4. Outstanding Central Government Debt – A full breakdown of debt is provided as of the end of each month (in this case, as at end June 2022). Domestic Debt is provided as of length of maturity, type of instrument and institution whilst Foreign Debt is provided by type and institution.

Other than the monthly bulletins, the Central Bank publishes the Monthly Economic Indicators and the Weekly Economic Indicators. They too capture elements of government fiscal operations but do not provide as much disaggregated information as the monthly bulletins.

However, the IYRs are considered not produced on this occasion. This is because the "Government Fiscal Operations monthly" and "Quarterly Government Debt" have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: Disagree

Suggested Answer: FY 2023

Comments: Sri Lanka's IYR is "Mid-Year Fiscal Position Report issued under Section 10 of the Fiscal Management (Responsibility) Act, No. 3 of 2003 <https://www.treasury.gov.lk/web/mid-year-fiscal-position/section/2023>

Government Reviewer

Opinion: Agree

Comments: In addition to the links above IYR data available at <https://www.treasury.gov.lk/web/department-of-fiscal-policy-links-economic-position-2022/section/november> Further, IYR data is internally prepared monthly.

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to IBP comment in question IYRs-2 for a detailed explanation.

IYRs-2. When are the IYRs made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on

the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option “d” applies. Option “d” should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options “a” or “b,” depending on the date of publication identified for the IYRs.

Answer:

d. The IYRs are not released to the public, or are released more than three months after the period covered

Source:

Link for the Central Bank of Sri Lanka Monthly Bulletin - <https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-bulletin>

Link for the Central Bank of Sri Lanka Monthly Indicators: <https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-indicators>

Link for the Central Bank of Sri Lanka Weekly Indicators:
<https://www.cbsl.gov.lk/en/statistics/economic-indicators/weekly-indicators>

Link for the Data and Statistics page of Ministry of Finance site:
<https://www.treasury.gov.lk/web/data-and-statistics-published-by-ministry-of-finance/section/data%20and%20statistics%20published%20by%20ministry%20of%20finance>

Comment:

Previously, the Ministry of Finance published the “Government Fiscal Operations | Annual”, “Government Fiscal Operations | Monthly”, “Government Debt | Annual” and “Government Debt | Quarterly” which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

However, the Central Bank of Sri Lanka publishes a monthly bulletin that provides the following on a monthly level. At the time of submitting the answers, the latest available monthly bulletin was August - December 2022 showing the fiscal performance until November 2022.

1. Economic Classification of Government Fiscal Operations – Overall performances of Revenue, Expenditure and associated budget balances are provided alongside a breakdown of domestic and foreign financing.
2. Economic Classification of Government Revenue – Major components of Tax Revenue and Non-Tax revenue and their related performances are provided.
3. Economic Classification of Government Expenditure – Major components of Recurrent Expenditure and overall Capital Expenditure and their related performances are provided.
4. Outstanding Central Government Debt – A full breakdown of debt is provided as of the end of each month (in this case, as at end June 2022). Domestic Debt is provided as of length of maturity, type of instrument and institution whilst Foreign Debt is provided by type and institution.

Other than the monthly bulletins, the Central Bank publishes the Monthly Economic Indicators and the Weekly Economic Indicators. They too capture elements of government fiscal operations but do not provide as much disaggregated information as the monthly bulletins.

However, the IYRs are considered not produced on this occasion. This is because the “Government Fiscal Operations_monthly” and “Quarterly Government Debt” have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: Disagree

Suggested Answer: d. The IYRs are not released to the public, or are released more than three months after the period covered

Comments: Mid-Year Fiscal Position Report covering 4 months should be considered as a IYR of Sri Lanka.

Government Reviewer

Opinion: Disagree

Suggested Answer: a. At least every month, and within one month of the period covered

Comments: In year actual revenue and expenditure data is published by Department of Fiscal Policy of General Treasury. IYR link:
<https://www.treasury.gov.lk/web/department-of-fiscal-policy-links-economic-position-2022/section/november> In Year data for previous years :
<https://www.treasury.gov.lk/web/department-of-fiscal-policy-links-economic-position>

Researcher Response

According to international standards and the OBS methodology, Interim Year Reports (IYRs) must be accessible to the public within three months after the reporting period concludes. This requirement applies to either: (i) At least seven of the last 12 monthly IYRs, or (ii) At least three of the previous four quarterly IYRs. The Mid-Year Fiscal Position Report for 2023 covers only the initial four months of the budget year and is a one-time publication, failing to meet the publication frequency required for IYRs. Furthermore, the ‘Weekly Economic Bulletins’ offer minimal information on

budget execution. While they provide a general overview on Page 1 and revenue-related details and debt related details under 'Fiscal Sector' on Page 11, they lack the expenditure breakdown, a crucial component for an IYR (covering at least one of the classifications: economic, functional, or administrative). Consequently, Sri Lanka does not have IYRs in accordance with the outlined criteria. Link for the Central Bank of Sri Lanka Monthly Bulletin - <https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-bulletin> Link for the Central Bank of Sri Lanka Monthly Indicators: <https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-indicators> Link for the Central Bank of Sri Lanka Weekly Indicators: <https://www.cbsl.gov.lk/en/statistics/economic-indicators/weekly-indicators> Link for the Data and Statistics page of Ministry of Finance site: <https://www.treasury.gov.lk/web/data-and-statistics-published-by-ministry-of-finance/section/data%20and%20statistics%20published%20by%20ministry%20of%20finance>

IBP Comment

The comments from the reviewer and researcher are well received with thanks. It is important to note that In-Year Reports are issued during the year as the budget is being executed. They are intended to show the executive's progress in implementing the budget. They typically show actual expenditure by administrative unit (ministries, departments, or agencies), to ensure that they are held accountable for their expenditure. As the researcher indicates, The OBS methodology requires that, for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends, with at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs. These reports are published weekly, so their frequency is adequate to meet this criteria. However, the coverage is inconsistent with the OBS methodological criteria, both in terms of the timeframe they cover and content. Moreover, IYRs should report execution information for the period to which they are published. This does not happen consistently with the weekly reports suggested by the government reviewer. For instance, the report of the first week of November of 2022, reports on revenues for Jan-June, expenditures for Jan-May, and debt until the end of June, i.e., more than three months from the period to the report refers to which they are intended to. Moreover, the level of detail is minimal, as the reports show only totals and subtotals without referencing the original estimates or the actual/estimates for the same time period of the previous year. Finally, as the researcher accurately pointed out, there is no expenditure information by any of the three classifications (economic, administrative or functional). With these arguments, and to maintain methodological consistency across countries, it is necessary to conclude that the IYRs are considered not publicly available in Sri Lanka.

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2022 should be entered as 05 September 2022. If the document is not published or not produced, please mark this question "n/a."

Answer:

n/a

Source:

Monthly Bulletin for January 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_january_2022.pdf

Monthly Bulletin for February 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_february_2022.pdf

Monthly Bulletin for March - July 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_march_july_2022.pdf

Monthly Bulletin for August - December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Monthly Indicators for January 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202201_e.pdf

Monthly Indicators for February 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202202_e_0.pdf

Monthly Indicators for March 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202203_e.pdf

Monthly Indicators for April 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202204_e.pdf

Monthly Indicators for May 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202205_e_0.pdf

Monthly Indicators for June 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202206_e.pdf

Monthly Indicators for July 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202207_e.pdf

Monthly Indicators for August 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202208_e.pdf

Monthly Indicators for September 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202209_e.pdf

Monthly Indicators for October 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202210_e.pdf

Monthly Indicators for November 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202211_e.pdf

Monthly Indicators for December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202212_e.pdf

Monthly Indicators for January 2023:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202301_e.pdf

Comment:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

However, the Central Bank of Sri Lanka publishes a monthly bulletin that provides the following on a monthly level. At the time of submitting the answers, the latest available monthly bulletin was August - December 2022 showing the fiscal performance until November 2022.

1. Economic Classification of Government Fiscal Operations – Overall performances of Revenue, Expenditure and associated budget balances are provided alongside a breakdown of domestic and foreign financing.
2. Economic Classification of Government Revenue – Major components of Tax Revenue and Non-Tax revenue and their related performances are provided.
3. Economic Classification of Government Expenditure – Major components of Recurrent Expenditure and overall Capital Expenditure and their related performances are provided.
4. Outstanding Central Government Debt – A full breakdown of debt is provided as of the end of each month (in this case, as at end June 2022). Domestic Debt is provided as of length of maturity, type of instrument and institution whilst Foreign Debt is provided by type and institution.

Other than the monthly bulletins, the Central Bank publishes the Monthly Economic Indicators and the Weekly Economic Indicators. They too capture elements of government fiscal operations but do not provide as much disaggregated information as the monthly bulletins.

However, the IYRs are considered not produced on this occasion. This is because the "Government Fiscal Operations_monthly" and "Quarterly Government Debt" have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: Disagree

Suggested Answer: 30/06/2023

Comments: <https://www.treasury.gov.lk/api/file/4a16d04d-40a1-4fdb-8006-2d0151d23a86>

Government Reviewer

Opinion: Disagree

Suggested Answer: usually IYR data is published weekly

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to IBP comment in question IYRs-2 for a detailed explanation.

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

n/a

Source:

n/a

Comment:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

However, the Central Bank of Sri Lanka publishes a monthly bulletin that provides the following on a monthly level. At the time of submitting the answers, the latest available monthly bulletin was August - December 2022 showing the fiscal performance until November 2022.

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However, the IYRs are considered not produced on this occasion. This is because the "Government Fiscal Operations_monthly" and "Quarterly Government Debt" have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: Disagree

Suggested Answer: Link to document: <https://www.treasury.gov.lk/api/file/4a16d04d-40a1-4fdb-8006-2d0151d23a86>

Government Reviewer

Opinion: Disagree

Suggested Answer: We publish aggregate data on revenue, expenditure and debts.

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to IBP comment in question IYRs-2 for a detailed explanation.

IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

If the document is not published at all, researchers should leave this question blank.

Answer:**Source:**

n/a

Comment:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

However, the Central Bank of Sri Lanka publishes a monthly bulletin that provides the following on a monthly level. At the time of submitting the answers, the latest available monthly bulletin was August - December 2022 showing the fiscal performance until November 2022.

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However, the IYRs are considered not produced on this occasion. This is because the "Government Fiscal Operations_monthly" and "Quarterly Government Debt" have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: Disagree

Suggested Answer: <https://www.treasury.gov.lk/api/file/4a16d04d-40a1-4fdb-8006-2d0151d23a86> <https://www.treasury.gov.lk/web/mid-year-fiscal-position/section/2023>

Government Reviewer

Opinion: Disagree

Suggested Answer: IYR link: <https://www.treasury.gov.lk/web/department-of-fiscal-policy-links-economic-position-2022/section/november> In Year data for previous years : <https://www.treasury.gov.lk/web/department-of-fiscal-policy-links-economic-position>

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to IBP comment in question IYRs-2 for a detailed explanation.

IYRs-5. If the IYRs are published, are the numerical data contained in the IYRs available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the IYRs are not publicly available, therefore their machine readability cannot be assessed.

Answer:

d. Not applicable

Source:

Monthly Bulletin for January 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_january_2022.pdf

Monthly Bulletin for February 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_february_2022.pdf

Monthly Bulletin for March - July 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_march_july_2022.pdf

Monthly Bulletin for August - December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Monthly Indicators for January 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202201_e.pdf

Monthly Indicators for February 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202202_e_0.pdf

Monthly Indicators for March 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202203_e.pdf

Monthly Indicators for April 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202204_e.pdf

Monthly Indicators for May 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202205_e_0.pdf

Monthly Indicators for June 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202206_e.pdf

Monthly Indicators for July 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202207_e.pdf

Monthly Indicators for August 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202208_e.pdf

Monthly Indicators for September 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202209_e.pdf

Monthly Indicators for October 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202210_e.pdf

Monthly Indicators for November 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202211_e.pdf

Monthly Indicators for December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202212_e.pdf

Monthly Indicators for January 2023:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202301_e.pdf

Comment:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

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However, the IYRs are considered not produced on this occasion. This is because the "Government Fiscal Operations_monthly" and "Quarterly

Government Debt" have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Disagree

Suggested Answer: c. No

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to IBP comment in question IYRs-2 for a detailed explanation.

IYRs-6a. If the IYRs are not publicly available, are they still produced?

If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

d. Not produced at all

Source:

Monthly Bulletin for January 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_january_2022.pdf

Monthly Bulletin for February 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_february_2022.pdf

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Monthly Indicators for July 2022:

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Monthly Indicators for August 2022:

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Monthly Indicators for December 2022:

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Monthly Indicators for January 2023:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202301_e.pdf

Comment:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

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However, the IYRs are considered not produced on this occasion. This is because the "Government Fiscal Operations_monthly" and "Quarterly Government Debt" have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable (the document is publicly available)

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable (the document is publicly available)

Comments: IYR link: <https://www.treasury.gov.lk/web/departement-of-fiscal-policy-links-economic-position-2022/section/november> In Year data for previous years : <https://www.treasury.gov.lk/web/departement-of-fiscal-policy-links-economic-position>

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to IBP comment in question IYRs-2 for a detailed explanation.

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

If option "a","b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."

Answer:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

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Source:

Monthly Bulletin for January 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_january_2022.pdf

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https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202209_e.pdf

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Monthly Indicators for January 2023:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mei/MEI_202301_e.pdf

Comment:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

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However, the IYRs are considered not produced on this occasion. This is because the "Government Fiscal Operations_monthly" and "Quarterly Government Debt" have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: Disagree

Suggested Answer: n/a

Government Reviewer

Opinion: Disagree

Suggested Answer: N/A

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to the IBP comment in question IYRs-2 for a detailed explanation.

IYRs-7. If the IYRs are produced, please write the full title of the IYRs.

For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2022."

If In-Year Reports are not produced at all, researchers should mark this question "n/a."

Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer:

n/a

Source:

n/a

Comment:

Previously, the Ministry of Finance published the "Government Fiscal Operations | Annual", "Government Fiscal Operations | Monthly", "Government Debt | Annual" and "Government Debt | Quarterly" which provided information on annual, monthly and quarterly basis. However, these sheets have not been updated since 2019 and 2018 respectively.

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However, the IYRs are considered not produced on this occasion. This is because the "Government Fiscal Operations_monthly" and "Quarterly Government Debt" have not been updated since 2019 and 2018 respectively.

Peer Reviewer

Opinion: Agree

Comments: MID - YEAR FISCAL POSITION REPORT - 2023

Government Reviewer

Opinion: Disagree

Suggested Answer: Weekly Economic Bulletin Department of Fiscal Policy Ministry of Finance Sri Lanka

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to the IBP comment in question IYRs-2 for a detailed explanation.

IYRs-8. Is there a "citizens version" of the IYRs?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

IBP Comment

The IYRs in Sri Lanka for this round of the survey have been considered not publicly available. Please refer to the IBP comment in question IYRs-2 for a detailed explanation.

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2022

Source:

n/a

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does, however, publish the details of the first four months (January - April) in the 'Mid-Year Fiscal Position Report' published in June. However, the document has limited data on the first six months, and does not include a projection of estimates for the remainder of the year, and thus cannot be considered a MYR.

Link to Mid-Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Peer Reviewer

Opinion: Disagree

Suggested Answer: FY 2023

Comments: Link to Mid-Year Fiscal Position Report 2023: <https://www.treasury.gov.lk/api/file/4a16d04d-40a1-4fdb-8006-2d0151d23a86>

Government Reviewer

Opinion: Agree

MYR-2. When is the MYR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.

Answer:

d. The MYR is not released to the public, or is released more than three months after the midpoint

Source:

n/a

Comment:

Please refer Comment in MYR1.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

Comments: Fiscal Management Report 2022 in three languages in compliance with sections 4, 5, 6, 7, 8, and 9 of the Fiscal Management (Responsibility) Act No 03 of 2003: <https://www.treasury.gov.lk/web/fiscal-management/section/2022> Mid Year Fiscal Position Report 2022 in three languages in compliance with section 10 of the Fiscal Management (Responsibility) Act No 03 of 2003: <https://www.treasury.gov.lk/web/mid-year-fiscal-position/section/2022>

IBP Comment

The comment from the government reviewer is well received with thanks. However, it is important to note that the Fiscal Management Report 2022, was produced in November of that year, failing to comply with the timelines requirement of a Mid Year Review - i.e. to be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). Concerning the coverage of the Mid-Year Fiscal Position Report 2022, the document presents macroeconomic figures, as well as actual expenditure and revenue from Jan to April 2022, but does not include a discussion of how these trends will affect the estimates for the remainder of the year. This content is critical to consider the document a true Mid Year Review as per the OBS methodology. Since neither document complies with both, content and timelines criteria, the answer selected by the researcher (d) must be maintained.

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Fiscal Management Report 2022 in three languages in compliance with sections 4, 5, 6, 7, 8, and 9 of the Fiscal Management (Responsibility) Act No 03 of 2003: <https://www.treasury.gov.lk/web/fiscal-management/section/2022> - 14th November 2022 Mid Year Fiscal Position Report 2022 in three languages in compliance with section 10 of the Fiscal Management (Responsibility) Act No 03 of 2003: <https://www.treasury.gov.lk/web/mid-year-fiscal-position/section/2022> - 30th June 2022

IBP Comment

Refer to comment in question MYR-2

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Fiscal Management Report as per sections 4, 5, 6, 7, 8, and 9 of the Fiscal Management (Responsibility) Act No 03 of 2003 usually it falls on the second reading date of appropriation bill in Parliament. Mid Year Fiscal Position Report as per section 10 of the Fiscal Management (Responsibility) Act No 03 of 2003 usually 30th June 2022

IBP Comment

Refer to comment in question MYR-2

MYR-4. If the MYR is published, what is the URL or weblink of the MYR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Fiscal Management Report 2022 in three languages in compliance with sections 4, 5, 6, 7, 8, and 9 of the Fiscal Management (Responsibility) Act No 03 of 2003: <https://www.treasury.gov.lk/web/fiscal-management/section/2022> Mid Year Fiscal Position Report 2022 in three languages in compliance with section 10 of the Fiscal Management (Responsibility) Act No 03 of 2003: <https://www.treasury.gov.lk/web/mid-year-fiscal-position/section/2022>

IBP Comment

Refer to comment in question MYR-2

MYR-5. If the MYR is published, are the numerical data contained in the MYR available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the MYR is not publicly available, therefore its machine readability cannot be assessed.

Answer:

d. Not applicable

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: c. No

IBP Comment

Refer to comment in question MYR-2

MYR-6a. If the MYR is not publicly available, is it still produced?

If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

d. Not produced at all

Source:

n/a

Comment:

Please refer Comment in MYR1.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable (the document is publicly available)

IBP Comment

Refer to comment in question MYR-2

MYR-6b. If you selected option "c" or "d" in question MYR-6a, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."

Answer:

The Mid-Year Fiscal Position Report clearly states that the report is published for the first four months of the year (January-April) by 30th June. The Public Officials of Department of Fiscal Policy and Department of National Budget of Ministry of Finance also confirmed that they only publish the Mid-Year Fiscal Position Report for first four months of the year (January-April) by 30th June.

Source:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does, however, publish the details of the first four months (January - April) in the 'Mid year Fiscal Position Report' published in June. However, the document has limited data on the first six months, and does not include a projection of estimates for the remainder of the year, and thus cannot be considered a MYR.

Link to Mid-Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: N/A

IBP Comment

Refer to comment in question MYR-2

MYR-7. If the MYR is produced, please write the full title of the MYR.

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2021/22" or "Mid-Year Report on the 2022 National Budget."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: MID-YEAR FISCAL POSITION REPORT - 2022 FISCAL MANAGEMENT REPORT 2023

IBP Comment

Refer to comment in question MYR-2

MYR-8. Is there a "citizens version" of the MYR?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

IBP Comment

Refer to comment in question MYR-2

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The Ministry of Finance publishes the Annual Report that contains the financial accounts and fiscal information of the year in consideration.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

Comments: MoF Annual Report is available for 2022. Link: <https://www.treasury.gov.lk/web/annual-reports/section/2022>

Government Reviewer

Opinion: Agree

IBP Comment

The comment from the peer reviewer is well received. But one consideration to note is the cut-off date for the OBS research. This means that during this round only documents published by December 31 of 2022 will be assessed. In that sense, The Annual Report 2021, published during 2022, is the appropriate and most recent YER available in Sri Lanka before the aforementioned cut-off date.

YER-2. When is the YER made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.

Answer:

a. Six months or less after the end of the budget year

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:**Peer Reviewer**

Opinion: Agree

Comments: Link to the Annual Report 2022 on the Ministry of Finance website: <https://www.treasury.gov.lk/web/annual-reports/section/2022>

Government Reviewer

Opinion: Agree

IBP Comment

Refer to comment in question YER-1

YER-3a. If the YER is published, what is the date of publication of the YER?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

7/6/2022

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Annual Report 2021 - Ministry of Finance Sri Lanka was published on the Ministry of Finance Website on 07/06/2022. (Please refer Comment of YER2.)

Peer Reviewer

Opinion: Disagree

Suggested Answer:

Comments: Link to the Annual Report 2022 on the Ministry of Finance website: <https://www.treasury.gov.lk/web/annual-reports/section/2022> and <https://www.treasury.gov.lk/api/file/39a16e61-7659-476b-8f18-d969c7a69733>

Government Reviewer

Opinion: Disagree

Suggested Answer: 30th May 2022

IBP Comment

Refer to comment in question YER-1

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The YER's PDF was checked for its 'last modified' date using the 'Document Properties' of the online document.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Disagree

Suggested Answer: As per the section 13th of Fiscal Management (Responsibility) Act No 03 of 2003

IBP Comment

The last Modified date provided by the researcher is consistent with wayback machine <https://web.archive.org/web/20220626152618/https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519> and it has been established as the most likely date when the document was actually published on the website.

YER-4. If the YER is published, what is the URL or weblink of the YER?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: <https://www.treasury.gov.lk/api/file/39a16e61-7659-476b-8f18-d969c7a69733>

Comments: Annual Report 2022: <https://www.treasury.gov.lk/api/file/39a16e61-7659-476b-8f18-d969c7a69733>

Government Reviewer

Opinion: Agree

IBP Comment

refer to the previous comment

YER-5. If the YER is published, are the numerical data contained in the YER available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the YER is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The documents are in PDF format which is not considered machine readable format for numerical data.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

YER-6a. If the YER is not publicly available, is it still produced?

If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question YER-6a, researchers should mark this question "n/a."

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-7. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2022" or "Annual Report 2021 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Annual report 2021- Ministry of Finance, Economic Stabilization & National Policies Sri Lanka

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: ANNUAL REPORT 2022- MINISTRY OF FINANCE, ECONOMIC STABILIZATION & NATIONAL POLICIES SRI LANKA

Comments: ANNUAL REPORT 2022- MINISTRY OF FINANCE, ECONOMIC STABILIZATION & NATIONAL POLICIES SRI LANKA

Government Reviewer

Opinion: Agree

IBP Comment

Refer to comment in question YER-2

YER-8. Is there a "citizens version" of the YER?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

IBP Comment

Thanks to the government reviewer for the suggested answer. however, no evidence is provided to support the existence of a Citizen's budget corresponding to the Annual Report 2021.

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=0>

Comment:

The Auditor's statement is attached to the Annual Report of the Ministry of Finance, along with the financial statements. Additionally, the Auditor General's department publishes individual reports of all state related entities (departments, corporations etc.)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-2. When is the AR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.

Answer:

b. 12 months or less, but more than six months, after the end of the budget year

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=1>

Comment:

The Auditor's statement is attached to the Annual Report of the Ministry of Finance (page 336 to 361), which is the YER, along with the financial statements. The Annual Report of Auditor General is not sufficient to be qualified as the Audit Report (AR) as it doesn't contain the audit of the accounts for 2021. The Auditor General's department does publish individual audit reports for each Ministry and Department head. Therefore, the Auditor's statement in the YER and individual audit reports by the Auditor General's departments can be considered as the audit report. However, the individual audit reports were published between June 2022 to January 2023.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Six months or less after the end of the budget year

AR-3a. If the AR is published, what is the date of publication of the AR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

7/6/2022

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=2>

Comment:

Ministry of Finance Annual Report for 2021 was published on 07/06/2022 on the Ministry of Finance Website.

Individual Audit Reports for 2021 were published between 01/06/2022 to the 03/01/2023 on the Auditor General's Department Website.

Annual Report of the Auditor General for 2021 were published on 27/10/2022 on the Auditor General's Department Website (Not qualified as an AR).

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Disagree

Suggested Answer: 30th May 2022 As per the Section 13 of Fiscal Management (Responsibility) Act No 03 of 2003

IBP Comment

The comment from the government reviewer is well received. However, it is important to note that this question assesses the date of actual publication on the corresponding website, which in this case has been determined by the last modified date in the document's properties.

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The YER's PDF was checked for its 'last modified' date. The given date was 07/06/2022 for the Ministry of Finance Annual Report 2021 and 27/10/2022 for the Annual Report of the Auditor General and the Individual Audit Reports were published between 01/06/2022 to the 03/01/2023.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=3>

Comment:

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Disagree

Suggested Answer: As per; - Section 13 of Fiscal Management (Responsibility) Act No 03 of 2003 - Section 15 (2) of National Audit Act No 19 of 2018

IBP Comment

refer to previous comment

AR-4. If the AR is published, what is the URL or weblink of the AR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:
<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=3>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: The link provides for Annual Report of the MoF. It should be the link to AG's Annual report which is:
<http://www.auditorgeneral.gov.lk/web/index.php/en/annual-reports>

Government Reviewer

Opinion: Agree

AR-5. If the AR is published, are the numerical data contained in the AR available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the AR is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:
<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=4>

Comment:

The documents are in PDF format, which is not considered machine readable format for numerical data.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

AR-6a. If the AR is not publicly available, is it still produced?

If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=5>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-6b. If you selected option "c" or "d" in question AR-6a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-7. If the AR is produced, please write the full title of the AR.

For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Annual report 2021 Ministry of Finance, Economic Stabilization & National Policies Sri Lanka, Annual Report of the Auditor General 2021, Individual Audit Reports for all Heads of Ministries and Departments.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=5>

Comment:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=5>

Peer Reviewer

Opinion: Disagree

Suggested Answer: Annual Report of the Auditor General 2021 National Audit Office

Comments: The Audit Report is a document produced by the SAI as a result of its audit activities. The answer refers to Annual report of the MoF

Government Reviewer

Opinion: Agree

AR-8. Is there a "citizens version" of the AR?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.

GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.gob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found (<https://www.gov.br/economia/pt-br/assuntos/planejamento-e-orcamento/orcamento>). Researchers should include details about all of the relevant websites and/or portals that can be used to access budget information.

Answer:

a. Yes

Source:

Links to the Ministry of Finance Website,

Budget Speech - <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates - [https://www.treasury.gov.lk/web/budget-estimates-2023-approved\(details\)](https://www.treasury.gov.lk/web/budget-estimates-2023-approved(details))

Fiscal Management Report - <https://www.treasury.gov.lk/web/fiscal-management/section/2023>

Budget Highlights - <https://www.treasury.gov.lk/web/budget-highlights/section/budget%20highlights%20-2023>

Budget Highlights - <https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Annual Reports - <https://www.treasury.gov.lk/web/annual-reports/section/2021>

Mid-Year Fiscal Position Report - <https://www.treasury.gov.lk/web/mid-year-fiscal-position/section/2022>

Data and Statistics

<https://www.treasury.gov.lk/web/data-and-statistics-published-by-ministry-of-finance/section/data%20and%20statistics%20published%20by%20ministry%20of%20finance>

Links to the Parliament Website

Appropriation Acts <https://www.parliament.lk/en/business-of-parliament/acts-bills#current>

Appropriation Bills <https://www.parliament.lk/en/business-of-parliament/acts-bills#current>

Links to the Auditor Generals Department

Link to the Annual Report of the Auditor General 2021: <http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=5>

Links to the Central Bank of Sri Lanka –

Data on government revenue, expenditure and debt (incorporated in the Monthly Bulletin of the CBSL)

<https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-bulletin>

Data on Government Finance (incorporated in Section 16 of Monthly Economic Indicators)

<https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-indicators>

Data on Fiscal Sector (incorporated in Section 03 of the Weekly Economic Indicators)

<https://www.cbsl.gov.lk/en/statistics/economic-indicators/weekly-indicators>

Links to the Central Bank of Sri Lanka: Data on Government Budgetary Operations, Government Debt

<https://www.cbsl.gov.lk/en/statistics/statistical-tables/fiscal-sector>

Comment:

The primary source of budget documents is the Ministry of Finance website. The Parliamentary website is the official website which disseminates the Appropriation Bills and Appropriation Acts. The Annual Audit reports are available on the Auditor General's Department/ National Audit Office website. In addition, the Central Bank of Sri Lanka publishes summarized data on Government Finance (Revenue, Expenditure and Debts) in its Monthly Bulletin.

Peer Reviewer

Opinion: Agree

Comments: please also refer to this main link: <https://www.treasury.gov.lk/web/publications>

Government Reviewer

Opinion: Agree

Comments: In addition to above mentioned links following link also available <https://www.treasury.gov.lk/web/department-of-fiscal-policy-links-economic-position>

GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see:

<http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.

Answer:

d. No, neither expenditure or revenue data can be downloaded as a consolidated file

Source:

n/a

Comment:

Ministry of Finance and Central Bank have published data for the current fiscal year but not in machine readable format. (<https://www.cbsl.gov.lk/en/statistics/economic-indicators/monthly-indicators>) can be added as a website. However, the (<https://www.cbsl.lk/eresearch/>) does not provide disaggregated data.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

GQ-1c. On these websites/portals, can disaggregated revenue and/or expenditure data in consolidated, machine readable files be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation. For more information on machine readability, see:

<http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Answer:

a. Yes, both revenue and expenditure data can be downloaded for multiple years in consistent formats

Source:

Ministry of Finance website – Data and Statistics published by the Ministry of Finance summarised monthly and annual data for revenue and expenditure:

<https://www.treasury.gov.lk/web/data-and-statistics-published-by-ministry-of-finance/section/data%20and%20statistics%20published%20by%20ministry%20of%20finance>

Links to the Central Bank of Sri Lanka: Data on Government Budgetary Operations, Government Debt

<https://www.cbsl.gov.lk/en/statistics/statistical-tables/fiscal-sector>

Comment:**Peer Reviewer**

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

GQ-1d. On these websites/portals, are infographics/visualizations or other similar tools used to simplify data access and analysis? If yes, please provide the necessary links and details in the comment/citation.

GQ-1d asks the researcher to list any government websites or portals where infographics/visualizations or other similar tools used to simplify data access and analysis are present. For example, in South Africa the Vulekamali portal (<https://vulekamali.gov.za>) is a project by the National Treasury which contains visualizations of the Consolidated Budget Summary, by departments budget, by division of revenue and by infrastructure budget distribution. (See for example <https://vulekamali.gov.za/2022-23/national/departments/basic-education/>). Other countries that have developed portals that include fiscal visualization and graphics include: Brazil's Transparency Portal (<https://portaldatransparencia.gov.br/>), which presents line graphs, bar graphs, pie charts, and visual maps of electronic invoices, public expenditure, public revenue, annual budget, transferred resources, resources transferred by location of beneficiary, among other information. (<https://portaldatransparencia.gov.br/orcamento> and <https://portaldatransparencia.gov.br/transferencias>). Additionally, United States Department of the Treasury, Fiscal Data portal (<https://fiscaldata.treasury.gov/>) is a one-stop shop for federal financial data that uses charts, exhibits, and figures.

Answer:

a. Yes

Source:

The Ministry of Finance website has a dashboard 'Sri Lanka at a Glance'. This is an interactive visualization containing information on economic indicators such as GDP, Inflation, Exchange Rate, Total Government Debt, Total Domestic Debt, Total Foreign Debt, Trade Balance, Commodity Prices and Workers Remittances.

<http://www.treasury.gov.lk/>

It also contains infographics breaking down the budget for the year 2023 by sector.

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Comment:

The Ministry of Finance website has a dashboard 'Sri Lanka at a Glance'. This is an interactive visualization containing information on economic indicators such as GDP, Inflation, Exchange Rate, Total Government Debt, Total Domestic Debt, Total Foreign Debt, Trade Balance, Commodity Prices and Workers Remittances.

<http://www.treasury.gov.lk/>

It also contains infographics breaking down the budget for the year 2023 by sector.

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

GQ-2. Are there laws in place guiding public financial management and/or auditing? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where the law(s) contains specific provisions for budget transparency and/or participation.

GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://finance.gov.mk/wp-content/uploads/2009/05/Audit-law.pdf>). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.

Answer:

a. Yes

Source:

The primary laws and regulating the budget are as follows: - the Constitution of the Democratic Socialist Republic of Sri Lanka Articles related to budgets:

Article 148 – Parliament shall have full control of finance; all taxes and rates shall be levied only by authority of a law passed by Parliament.

Article 149 – Formation of the Consolidated Fund,

Article 150 – Procedure for the withdrawal of funds from the Consolidated Fund: <https://www.parliament.lk/files/pdf/constitution.pdf>

Article 154(1) of the Constitution sets out the scope of audit of the Auditor-General. Prior to the 20th Amendment, the scope of the audit was limited to the officers of the secretaries to the President and the Prime Minister, the officers of the Cabinet of Ministers, the Judicial Service Commission, the Constitutional Council (now replaced by the Parliamentary Council) the Commissions listed in Article 41A (now Article 41B), the Provincial Public Service Commissions, the Parliamentary Commissioner for Administration, the Secretary-General of Parliament, local authorities, public corporations, business and other undertakings vested in the Government under any written law and companies registered or deemed to be registered under the Companies Act, No. 7 of 2007 in which the Government or a public corporation or local authority holds fifty per centum or more of the shares of that company.

By the 20th Amendment, the ‘office of the secretary to the Cabinet of Ministers’ and the ‘officers of the ministers appointed under Article 44 and 45’ were also added to the scope of the Auditor-General.

<https://www.parliament.lk/uploads/acts/gbills/english/6176.pdf>

New additions under the 21st Amendment: Article 154A “Constitution of the Audit Service Commission.” Article 170 (n) – “Public officer” does not include the Auditor General

Fiscal Management (Responsibility) Act No 03 of 2003 Includes the fiscal framework that sets a basic standard for the fiscal framework and lists documents that must be disclosed for the purpose of public finance disclosure, their contents, responsible parties and publication periods. Link:

<http://www.documents.gov.lk/en/acts.php> http://www.documents.gov.lk/files/act/2003/1/03-2003_E.pdf

(http://www.documents.gov.lk/files/act/2003/1/03-2003_E.pdf),

Fiscal Management (Responsibility) (Amendment) Act, No. 15 of 2013 <http://www.treasury.gov.lk/documents/10181/21079/15-2013-Fiscal+Management+%28Responsibility%29+%28Amendment%29+%28E%29.pdf/769aa02e-7ef2-4139-9204-d9dfe34baa13?version=1.0>
(<http://www.treasury.gov.lk/documents/10181/21079/15-2013-Fiscal+Management+%28Responsibility%29+%28Amendment%29+%28E%29.pdf/769aa02e-7ef2-4139-9204-d9dfe34baa13?version=1.0>),

Fiscal Management (Responsibility) (Amendment) Act, No. 13 of 2016: <http://www.documents.gov.lk/en/acts.php>

(<http://www.documents.gov.lk/en/acts.php>) http://www.documents.gov.lk/files/act/2016/8/13-2016_E.pdf

(http://www.documents.gov.lk/files/act/2016/8/13-2016_E.pdf)

Fiscal Management (Responsibility) 1 (Amendment) Act, No. 12 of 2021

AN ACT TO AMEND THE FISCAL MANAGEMENT (RESPONSIBILITY) ACT, NO. 3 OF 2003

<https://www.parliament.lk/uploads/acts/gbills/english/6212.pdf>

Appropriation Act No. 07 of 2020: The approved revenue and expenditure for the budget of the following year along with borrowing limits and treasury miscellaneous vote. Link: (Budget 2021) <https://www.parliament.lk/uploads/acts/gbills/english/6202.pdf>

(<https://www.parliament.lk/uploads/acts/gbills/english/6202.pdf>) - Circulars from the Government of Sri Lanka Link:

http://www.treasury.gov.lk/circulars_departments (http://www.treasury.gov.lk/circulars_departments) –

Appropriation Act, No. 43 of 2022: An act to provide for the service of the financial year 2023; (authorizing raising of loans in/outside Sri Lanka...)

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

Appropriation (Amendment) Act, No. 42 of 2022 - an Act to amend the Appropriation Act, No. 30 of 2021 Amended Section 2 of the previous Act.

<https://www.parliament.lk/uploads/acts/gbills/english/6284.pdf>

Appropriation (AMENDMENT) ACT, No. 21 OF 2022
An Act to amend the Appropriation Act No. 30 OF 2021

<https://www.parliament.lk/uploads/acts/gbills/english/6263.pdf>

Appropriation Act, No. 30 of 2021

<https://www.parliament.lk/uploads/acts/gbills/english/6232.pdf>

Appropriation (Amendment) 1 Act, No. 26 of 2021
An Act to amend the Appropriation Act, No. 7 of 2020

<https://www.parliament.lk/uploads/acts/gbills/english/6233.pdf>

National Audit Act, No. 19 of 2018: <http://www.auditorgeneral.gov.lk/web/index.php/en/news-and-events/188-national-audit-act-2018>
(<http://www.auditorgeneral.gov.lk/web/index.php/en/news-and-events/188-national-audit-act-2018>)

New additions

Regulation of Election Expenditure Act, No. 3 of 2023

An Act to regulate the expenditure incurred by recognized political parties, independent groups and candidates at every election conducted.

<https://www.parliament.lk/uploads/acts/gbills/english/6287.pdf>

Value Added Tax (Amendment) Act, No. 44 of 2022 -
An Act to amend the Value Added Tax Act, No. 14 of 2002

<https://www.parliament.lk/uploads/acts/gbills/english/6283.pdf>

Value Added Tax (Amendment) Act, No. 13 of 2022

An Act to amend the Value Added Tax Act, No. 14 of 2002

<https://www.parliament.lk/uploads/acts/gbills/english/6243.pdf>

Inland Revenue (Amendment) Act, No. 45 of 2022 - An Act to amend the Inland Revenue Act, No. 24 of 2017

<https://www.parliament.lk/uploads/acts/gbills/english/6282.pdf>

Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021

An act to establish the securities and exchange commission of Sri Lanka; to regulate market institutions, certain public offers of securities, market intermediaries; to protect investors and to provide for enforcement measures; to deal with market misconduct; and to overcome the challenges encountered by securities market regulators.

<https://www.parliament.lk/uploads/acts/gbills/english/6221.pdf>

Finance Act, No. 18 of 2021

An Act to enable persons to voluntarily disclose undisclosed taxable supplies, income and assets required to be disclosed under certain laws; to provide for the imposition of a tax on the taxable supplies, income and assets so disclosed; to indemnify the persons who voluntarily disclose any such taxable supply, income or asset against liability from investigation, prosecution and penalties under specified laws; to grant certain concessions to persons who had already disclosed taxable supplies, income and assets under specified laws

<https://www.parliament.lk/uploads/acts/gbills/english/6222.pdf>

Social Security Contribution Levy

<https://www.parliament.lk/uploads/acts/gbills/english/6262.pdf>

Surcharge Tax Act, No. 14 of 2022

An Act to provide for the imposition of surcharge tax and for matters connected therewith and incidental thereto.

<https://www.parliament.lk/uploads/acts/gbills/english/6249.pdf>

Employees' provident fund (amendment) Act, No. 23 of 2021

An act to amend the employees' provident fund act, no. 15 of 1958

<https://www.parliament.lk/uploads/acts/gbills/english/6226.pdf>

Comment:

The primary laws and regulating the budget are as follows: - the Constitution of the Democratic Socialist Republic of Sri Lanka Articles related to

budgets:

Article 148 – Parliament shall have full control of finance; all taxes and rates shall be levied only by authority of a law passed by Parliament.

Article 149 – Formation of the Consolidated Fund,

Article 150 – Procedure for the withdrawal of funds from the Consolidated Fund: <https://www.parliament.lk/files/pdf/constitution.pdf>

Article 154(1) of the Constitution sets out the scope of audit of the Auditor-General. Prior to the 20th Amendment, the scope of the audit was limited to the officers of the secretaries to the President and the Prime Minister, the officers of the Cabinet of Ministers, the Judicial Service Commission, the Constitutional Council (now replaced by the Parliamentary Council) the Commissions listed in Article 41A (now Article 41B), the Provincial Public Service Commissions, the Parliamentary Commissioner for Administration, the Secretary-General of Parliament, local authorities, public corporations, business and other undertakings vested in the Government under any written law and companies registered or deemed to be registered under the Companies Act, No. 7 of 2007 in which the Government or a public corporation or local authority holds fifty per centum or more of the shares of that company.

By the 20th Amendment, the 'office of the secretary to the Cabinet of Ministers' and the 'officers of the ministers appointed under Article 44 and 45' were also added to the scope of the Auditor-General.

<https://www.parliament.lk/uploads/acts/gbills/english/6176.pdf>

New additions under the 21st Amendment: Article 154A "Constitution of the Audit Service Commission." Article 170 (n) – "Public officer" does not include the Auditor General

Fiscal Management (Responsibility) Act No 03 of 2003 Includes the fiscal framework that sets a basic standard for the fiscal framework and lists documents that must be disclosed for the purpose of public finance disclosure, their contents, responsible parties and publication periods. Link: <http://www.documents.gov.lk/en/acts.php> http://www.documents.gov.lk/files/act/2003/1/03-2003_E.pdf (http://www.documents.gov.lk/files/act/2003/1/03-2003_E.pdf),

Fiscal Management (Responsibility) (Amendment) Act, No. 15 of 2013 <http://www.treasury.gov.lk/documents/10181/21079/15-2013-Fiscal+Management+%28Responsibility%29+%28Amendment%29+%28E%29.pdf/769aa02e-7ef2-4139-9204-d9dfe34baa13?version=1.0> (<http://www.treasury.gov.lk/documents/10181/21079/15-2013-Fiscal+Management+%28Responsibility%29+%28Amendment%29+%28E%29.pdf/769aa02e-7ef2-4139-9204-d9dfe34baa13?version=1.0>), Fiscal Management (Responsibility) (Amendment) Act, No. 13 of 2016: <http://www.documents.gov.lk/en/acts.php> (<http://www.documents.gov.lk/en/acts.php>) http://www.documents.gov.lk/files/act/2016/8/13-2016_E.pdf (http://www.documents.gov.lk/files/act/2016/8/13-2016_E.pdf)

Fiscal Management (Responsibility) 1 (Amendment) Act, No. 12 of 2021

AN ACT TO AMEND THE FISCAL MANAGEMENT (RESPONSIBILITY) ACT, NO. 3 OF 2003

<https://www.parliament.lk/uploads/acts/gbills/english/6212.pdf>

Appropriation Act No. 07 of 2020: The approved revenue and expenditure for the budget of the following year along with borrowing limits and treasury miscellaneous vote. Link: (Budget 2021) <https://www.parliament.lk/uploads/acts/gbills/english/6202.pdf> (<https://www.parliament.lk/uploads/acts/gbills/english/6202.pdf>) - Circulars from the Government of Sri Lanka Link: http://www.treasury.gov.lk/circulars_departments (http://www.treasury.gov.lk/circulars_departments) –

Appropriation Act, No. 43 of 2022: An act to provide for the service of the financial year 2023; (authorizing raising of loans in/outside Sri Lanka...) <https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

Appropriation (Amendment) Act, No. 42 of 2022 - an Act to amend the Appropriation Act, No. 30 of 2021 Amended Section 2 of the previous Act.

<https://www.parliament.lk/uploads/acts/gbills/english/6284.pdf>

Appropriation (AMENDMENT) ACT, No. 21 OF 2022

An Act to amend the Appropriation Act No. 30 OF 2021

<https://www.parliament.lk/uploads/acts/gbills/english/6263.pdf>

Appropriation Act, No. 30 of 2021

<https://www.parliament.lk/uploads/acts/gbills/english/6232.pdf>

Appropriation (Amendment) 1 Act, No. 26 of 2021

An Act to amend the Appropriation Act, No. 7 of 2020

<https://www.parliament.lk/uploads/acts/gbills/english/6233.pdf>

National Audit Act, No. 19 of 2018: <http://www.auditorgeneral.gov.lk/web/index.php/en/news-and-events/188-national-audit-act-2018> (<http://www.auditorgeneral.gov.lk/web/index.php/en/news-and-events/188-national-audit-act-2018>)

New additions

Regulation of Election Expenditure Act, No. 3 of 2023

An Act to regulate the expenditure incurred by recognized political parties, independent groups and candidates at every election conducted.

<https://www.parliament.lk/uploads/acts/gbills/english/6287.pdf>

Value Added Tax (Amendment) Act, No. 44 of 2022 -
An Act to amend the Value Added Tax Act, No. 14 of 2002
<https://www.parliament.lk/uploads/acts/gbills/english/6283.pdf>

Value Added Tax (Amendment) Act, No. 13 of 2022
An Act to amend the Value Added Tax Act, No. 14 of 2002
<https://www.parliament.lk/uploads/acts/gbills/english/6243.pdf>

Inland Revenue (Amendment) Act, No. 45 of 2022 - An Act to amend the Inland Revenue Act, No. 24 of 2017
<https://www.parliament.lk/uploads/acts/gbills/english/6282.pdf>

Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021
An act to establish the securities and exchange commission of Sri Lanka; to regulate market institutions, certain public offers of securities, market intermediaries; to protect investors and to provide for enforcement measures; to deal with market misconduct; and to overcome the challenges encountered by securities market regulators.
<https://www.parliament.lk/uploads/acts/gbills/english/6221.pdf>

Finance Act, No. 18 of 2021
An Act to enable persons to voluntarily disclose undisclosed taxable supplies, income and assets required to be disclosed under certain laws; to provide for the imposition of a tax on the taxable supplies, income and assets so disclosed; to indemnify the persons who voluntarily disclose any such taxable supply, income or asset against liability from investigation, prosecution and penalties under specified laws; to grant certain concessions to persons who had already disclosed taxable supplies, income and assets under specified laws
<https://www.parliament.lk/uploads/acts/gbills/english/6222.pdf>

Social Security Contribution Levy
<https://www.parliament.lk/uploads/acts/gbills/english/6262.pdf>

Surcharge Tax Act, No. 14 of 2022
An Act to provide for the imposition of surcharge tax and for matters connected therewith and incidental thereto.
<https://www.parliament.lk/uploads/acts/gbills/english/6249.pdf>

Employees' provident fund (amendment) Act, No. 23 of 2021
An act to amend the employees' provident fund act, no. 15 of 1958
<https://www.parliament.lk/uploads/acts/gbills/english/6226.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

GQ-3. Is there at least one additional law regulating: (1) access to information; (2) government transparency; or (3) citizens participation? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where these laws contain specific provisions for budget transparency and/or participation.

The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (<https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html>) is an example of this type of law. For more information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, see: <https://www.rti-rating.org/country-data/> and <https://www.constituteproject.org/>.

Answer:

a. Yes

Source:

Link to Right to Information Act No. 12 of 2016: (<http://www.parliament.lk/uploads/acts/gbills/english/6007.pdf>)

Link to the Fiscal Management Responsibility Act No. 03 of 2003 (<https://www.parliament.lk/uploads/acts/gbills/english/3540.pdf>)

Comment:

Researcher: Right to Information Act No. 12 of 2016 was passed on the 4th of August 2016 allowing citizens the right to access any information that is in possession of a public authority.

Link to Right to Information Act No. 12 of 2016: (<http://www.parliament.lk/uploads/acts/gbills/english/6007.pdf>)

The Fiscal Management Responsibility Act No. 03 of 2003 seeks to achieve all three of the criteria: 1) it enables the public to access information, 2) it encourages the government to be transparent by disclosing information, and 3) it aims to drive public awareness and, where necessary, engagement on matters relating to the Budget and the financial policy and performance.

Link to the Fiscal Management Responsibility Act No. 03 of 2003 (<https://www.parliament.lk/uploads/acts/gbills/english/3540.pdf>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?**GUIDELINES:**

Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.

Answer:

a. Yes, administrative units accounting for all expenditures are presented.

Source:

Link to Appropriation Bill 2023 - First Schedule-Page 7-49: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft) - Government Expenditure by Ministry / Special Spending Unit- Page XXXVI: <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Executive Budget Proposals and supporting documents are,

1. Appropriation Bill 2023
2. Budget Estimates 2023 Volume 1 (Draft), Volume 2 (Draft), Volume 2 (Draft)
3. Budget Speech 2023
4. Fiscal Management Report 2023

All these documents were made publicly available prior to the legislature approving the budget.

The main form of budget classification in Sri Lanka is administrative classification based on ministries and departments. The Appropriation Bill contains expenditure that adheres to the administrative classification as mentioned above.

The Draft Budget Estimates are published on the Ministry of Finance website in 3 volumes post second reading of the Appropriation Bill. The draft estimates contain a bulk of the governments expenditure programmes and includes the following information:

1. Expenditure details by Ministries including their key functions and institutions coming under their purview
2. Detailed expenditure of each spending agency under a ministry

It provides the most disaggregated information on government expenditure for the upcoming fiscal year.

These budget estimates were also provided to Members of Parliament in the form of a physical copy and CD on the day of the second reading of the Appropriation Bill.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

GUIDELINES:

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

Answer:

b. No, expenditures are not presented by functional classification.

Source:

n/a

Comment:

EBPs of Sri Lanka doesn't present expenditure for budget year by functional classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, expenditures are presented by functional classification.

IBP Comment

The comment from the government reviewer is well received, but upon reviewing the EBP again, no functional classification can be found in its volumes, and no reference is provided in the comment section. Therefore, answer (b) selected by the researcher must be maintained.

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

GUIDELINES:

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>

COFOG can be viewed at https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf or at <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>.

Answer:

b. No, the functional classification is not compatible with international standards, or expenditures are not presented by functional classification.

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1: <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Link to Budget Estimates 2023 Volume 2: <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Link to Budget Estimates 2023 Volume 3: <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The classification adopted in the Budget Speech 2023 is incompatible with the international standards on functional classification (Functional classification of COFOG: <https://www.oecd.org/gov/48250728.pdf> (<https://www.oecd.org/gov/48250728.pdf>))

The project presentation presented in the Budget Speech 2023 could not be considered as a functional classification according to the international standards.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the functional classification is compatible with international standards.

IBP Comment

refer to previous comment

4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

GUIDELINES:

Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic

classification.

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

Both the Budget Estimates (Draft) 2023 and the Budget Speech 2023 has used the economic classification when reporting the expenditure estimates for 2023.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).

Answer:

a. Yes, the economic classification is compatible with international standards.

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft) page (XL - XLII) : <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft) : <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023 Page 36: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The classification of expenditure for the FY 2023 is in line with the Government Finance Statistics (GFS) Page 179: <https://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf> (<https://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>)

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

GUIDELINES:

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

Answer:

a. Yes, programs accounting for all expenditures are presented.

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

As per the OBS 2023 guidelines, 'Program' could be any level of detail below an administrative unit. Budget Estimates (Draft) Volume I, II and III present the levels of estimated expenditure under the administrative unit. Example: Ministry of Health has expenditure heads such as, Head 111 - Minister of Health and Head 220 - Department of Ayurveda. Link to Budget Estimates (Draft) Volume 1 (Page 371-410): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>.

Further Each administrative unit (Ministries and Departments) has a table titled 'Development Activities' which includes allocations for major new projects for 2023 which can be considered as programmes of the budget year. This has been considered as the programmes as of OBS 2023.

Operational and Development Activities are defined in the Budget Estimates (Draft) 2023 (Page XIII) as, recurrent and capital expenditure incurring in the nature of operational purposes are categorised as operational activities and the expenditure related to development in nature are categorised as development activities.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates by all three of the expenditure classifications for at least two years beyond the budget year. To answer "b," multi-year expenditure estimates must be presented by two of these three classifications. A "c" answer applies if multi-year expenditure estimates are presented by one of the three classifications. Answer "d" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Answer:

d. No, multi-year expenditure estimates are not presented by any expenditure classification.

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

Expenditure estimates for multi-year (at least two years beyond the budget year) is not presented, anyway 2021 actual, 2022 revised estimates are presented in Budget Estimates (Draft) 2023 Volume I by two of the three classifications.

1- Administrative classification- Link to Budget Estimates (Draft) 2018 Volume I: Government Expenditure by Ministry / Special Spending Unit- Page: XXXVI <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

2- Economic classification- Link to Budget Estimates (Draft) 2023 Volume I: Page XL- Table 4.5: Summary Of Expenditure By Category And Object Code: <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

The Appropriation Bill for the FY 2023 presents expenditure estimates for the current fiscal year. It does not contain estimates for a multi-year period.

The Fiscal Management Report 2023 provides Revenue and Expenditure projections until 2027 as a share of GDP on page 7 - 'Table 1.1: Medium Term Macro Fiscal-Framework from 2022 to 2027'. However, it lacks the necessary data on nominal or real GDP values, making it impossible to perform accurate calculations. As a result, this table has been excluded from consideration.

The main form of budget classification in Sri Lanka is administrative classification which means classifying based on ministries and departments. Apart from that, the Budget Estimates (Draft) 2023 has used the economic classification when reporting the expenditure estimates for 2023.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

Comments: Usually, annual budget estimates are prepared in medium term budgetary framework. But, due system issue we were not able to present projections for 2024 and 2025 when preparing 2023 budget estimates. however, as we have resolved the system issue and going to publish projection for future years.

IBP Comment

The comment from the government reviewer is well received with thanks.

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

Answer:

None of the above

Source:

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Comment:

None of the EBPs contain estimates for a multi-year period. However, the Budget Speech and the Appropriation Bill for the FY 2023 do contain administrative and economic classifications of expenditure estimates for the current fiscal year. (See comment Q1, Q4)

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

GUIDELINES:

Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d" applies if multi-year estimates are not presented by program.

Revenues generally are separated into two major categories: "tax" and "non-tax" revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and

services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful when estimates for revenues are disaggregated and displayed based on their sources.

For more information, please refer to the 2001 GFS manual, in particular Appendix 4 (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>).

Answer:

d. No, multi-year estimates for programs are not presented.

Source:

n/a

Comment:

None of the EBPs contain estimates for a multi-year period.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

GUIDELINES:

Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

Answer:

a. Yes, individual sources of tax revenue accounting for all tax revenue are presented.

Source:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates (Draft) 2023- Volume I - Table 3.2.1 Government Revenue - Tax Revenue- Page XXIII-Non-Tax Revenue - Page XXV:
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

Link to Appropriation Bill 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Link to Budget Estimates (Draft) 2023- Volume I - Table 3.2.1 Government Revenue - Tax Revenue- Page XXIII-Non-tax Revenue - Page XXV:
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

GUIDELINES:

Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.

Answer:

a. Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

Source:

Link to Budget Estimates (Draft) 2023- Volume I - Table 3.2.1 Government Revenue - Tax Revenue- Page XXIII-Non-tax Revenue - Page XXV:
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

Budget Estimates (Draft) 2023 provides all individuals revenue sources accounting for all tax and non-tax revenue. Refer Table 3.2.1 Government Revenue - Tax Revenue (Page XXII) and Table 3.2.2 Government Revenue - Non-Tax Revenue (Page XXV).

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category," that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.

Answer:

b. No, multi-year estimates of revenue are not presented by category.

Source:

n/a

Comment:

The Budget Estimates (Draft) presents revenue classification (tax and non-tax) for previous budget years (2021 Provisional, 2022 revised estimates) not beyond the current budget year.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.

Answer:

d. No, multi-year estimates for individual sources of revenue are not presented.

Source:

n/a

Comment:

The Budget Estimates (Draft) presents individual sources of revenue for previous budget years (2021 Provisional, 2022 revised estimates) but not beyond the current budget year.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

· the amount of net new borrowing required during the entire budget year;

- the central government's total debt burden at the end of the budget year; and
- the interest payments on the outstanding debt for the entire budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented for the entire budget year.

Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:

1 - Budget Speech 2023 – Annexure II – Page 37 <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

2-Borrowings required for fiscal year 2023- Annexure II- Gross Borrowings Requirement - 2023 (Provisioning for Accounting Transactions) (Page 37)- Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>
Figures for the budget deficit, which is a proxy for net new borrowing, are also shown in nominal values for 2023 on Page 36.

3- Total debt outstanding at the end of the budget year: is not presented in EBPs.

4- Interest Payments for Domestic and Foreign Debt: Link to Budget Estimates (Draft) 2023- Volume I (Page XLI)
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Speech for the FY 2023 has information on interest payments (Page 36, Annexure I). This is estimated to be LKR 1,379 billion for BY 2022 and LKR 2,193 billion for the BY 2023.

Amount of net new borrowing: While this is not explicitly given, Gross Borrowings Requirement – 2023 on page 37 of the Budget Speech 2023 provides the following:

Total Gross Borrowing Requirement to be recorded in Government Accounts: LKR 4,979 Bn.

O/W Total Debt Repayments: LKR 2,025 Bn

The net of these figures provides the net new borrowing.

Peer Reviewer

Opinion: Agree

Comments: This also needs to refer to : 1) Government's "Public Debt Summary" See Public Debt Summary - As at End 2022 available at:

[https://www.treasury.gov.lk/api/file/a969a81b-13d9-4337-a5b7-858d31eb3715#:~:text=As%20at%20end%202022%2C%20Sri,and%20USD%203.1bn%2C%20respectively.2\)Data%20and%20Statistics%20Published%20By%20Ministry%20of%20Finance](https://www.treasury.gov.lk/api/file/a969a81b-13d9-4337-a5b7-858d31eb3715#:~:text=As%20at%20end%202022%2C%20Sri,and%20USD%203.1bn%2C%20respectively.2)Data%20and%20Statistics%20Published%20By%20Ministry%20of%20Finance)

(includes "Government Debt | Quarterly" and This also needs to refer to : 1) Government's "Public Debt Summary" See Public Debt Summary - As at End 2022 available at: [https://www.treasury.gov.lk/api/file/a969a81b-13d9-4337-a5b7-858d31eb3715#:~:text=As%20at%20end%202022%2C%20Sri,and%20USD%203.1bn%2C%20respectively.2\)Data%20and%20Statistics%20Published%20By%20Ministry%20of%20Finance](https://www.treasury.gov.lk/api/file/a969a81b-13d9-4337-a5b7-858d31eb3715#:~:text=As%20at%20end%202022%2C%20Sri,and%20USD%203.1bn%2C%20respectively.2)Data%20and%20Statistics%20Published%20By%20Ministry%20of%20Finance)

(includes "Government Debt | Quarterly" and "Government Debt | Annual" See: <https://www.treasury.gov.lk/web/data-and-statistics-published-by-ministry-of-finance/section/data%20and%20statistics%20published%20by%20ministry%20of%20finance>

Government Reviewer

Opinion: Agree

IBP Comment

The comments and links provided by the peer reviewer are well received with thanks. However, this section of the research is assessing only documents that are part of the executive's budget proposal for FY 2023.

13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:

Answer:

The amount of net new borrowing required during the budget year
The interest payments on outstanding debt for the budget year

Source:

1 - Budget Speech 2023 – Annexure II – Page 37 <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

2-Borrowings required for fiscal year 2023- Annexure II- Gross Borrowings Requirement - 2023 (Provisioning for Accounting Transactions) (Page 37)- Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Figures for the budget deficit, which is a proxy for net new borrowing, are also shown in nominal values for 2023 on Page 36.

3- Total debt outstanding at the end of the budget year: is not presented in EBPs.

4- Interest Payments for Domestic and Foreign Debt: Link to Budget Estimates (Draft) 2023- Volume I (Page XLI)
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Speech for the FY 2023 has information on interest payments (Page 36, Annexure I). This is estimated to be LKR 1,379 billion for BY 2022 and LKR 2,193 billion for the BY 2023.

Amount of net new borrowing: While this is not explicitly given, Gross Borrowings Requirement – 2023 on page 37 of the Budget Speech 2023 provides the following:

Total Gross Borrowing Requirement to be recorded in Government Accounts: LKR 4,979 Bn.

O/W Total Debt Repayments: LKR 2,025 Bn

The net of these figures provides the net new borrowing.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?"

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the

composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

Answer:

d. No, information related to composition of total debt outstanding is not presented.

Source:

- 1- Information on Interest rates on debt for 2023 is unavailable.
- 2- Information on maturity profiles of the debt are unavailable.
- 3- Information on Total Debt outstanding (domestic/external) at the end of budget year 2023 is unavailable.

Type of the debt (Total Foreign Financing and Total Domestic Financing is included) for 2023- Annexure IV-Summary of the Budget Estimates 2023 (Page 36): <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

1- Interest rates on debt: The EBPs (Appropriation Bill 2023, Budget Estimates (Draft) 2023 Volume I, Budget Speech 2023 and Fiscal Management Report 2023) doesn't present any information on interest rates on debts for 2023. However, the Fiscal Management report 2023 present annual interest rates on debt for the period of January to September 2022 in Table 1.16: Foreign Financing Commitments with Terms - from January to September 2022 (Page 35)-

Link to the Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

2- Maturity profile of the debt: Interest rates on debt: The EBPs (Appropriation Bill 2023, Budget Estimates (Draft) 2023 Volume I, Budget Speech 2023 and Fiscal Management Report 2023) doesn't present any information on interest rates on debts for 2023. However, the Fiscal Management report 2023 present maturity /availability period from the date of signing (years) of the debt for the period of January to September 2022 in Table 1.16: Foreign Financing Commitments with Terms - from January to September 2022 (Page 35)-

Link to the Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are are presented in the Executive's Budget Proposal:

Answer:

None of the above

Source:

- 1- Information on Interest rates on debt for 2023 is unavailable.
- 2- Information on maturity profiles of the debt are unavailable.
- 3- Type of the debt Total Debt outstanding for 2023 is unavailable.
- 4- Information on Total Debt outstanding (domestic/external) at the end of budget year 2023 is unavailable.

However, Budget speech 2023 provides total foreign and domestic financing for 2023 on Page 36 - 'Annexure I-Summary of the Budget Estimates 2023'. Link for Budget speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>
Since this document does not provide information on total outstanding debt, answer "None of the above" has been selected.

Comment:

1- Interest rates on debt: The EBPs (Appropriation Bill 2023, Budget Estimates (Draft) 2023 Volume I, Budget Speech 2023 and Fiscal Management Report 2023) doesn't present any information on interest rates on debts for 2023. However, the Fiscal Management report 2023 present annual interest rates on debt for the period of January to September 2022 in Table 1.16: Foreign Financing Commitments with Terms - from January to September 2022 (Page 35)-Link to the Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

2- Maturity profile of the debt: Interest rates on debt: The EBPs (Appropriation Bill 2023, Budget Estimates (Draft) 2023 Volume I, and Fiscal Management Report 2023) doesn't present any information on interest rates on debts for 2023. However, the Fiscal Management report 2023 present maturity /availability period from the date of signing (years) of the debt for the period of January to September 2022 in Table 1.16: Foreign Financing Commitments with Terms - from January to September 2022 (Page 35)-Link to the Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

However, Budget speech 2023 provides Total foreign and domestic financing for 2023 on Page 36 - 'Annexure IV-Summary of the Budget Estimates 2023'. Link for Budget speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Since above mentioned documents do not provide information on total outstanding debt, answer "None of the above" has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?"

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

d. No, information related to the macroeconomic forecast is not presented.

Source:

Link to the Fiscal Management Report 2023,
<https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The Fiscal Management Report 2023 provides broad assumption that to Enable economic recovery by 2023 and achieve economic growth over 3.5 percent by 2024 while enhancing the growth over 5.0-6.0 percent over the period ahead with required structural adjustments. Unemployment rates are expected to be maintained below 5.0 percent through appropriate reforms to enhance labour market conditions. Inflation would be reverted to single digit inflation to restore price stability and ensuring a moderate real interest rate in the medium term. (Page 6).

However, these numbers are not sufficient to be eligible to be seen as the macroeconomic forecast as these indicators have not been presented in a forward-looking manner. Hence answer d) has been selected.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some core elements.

Comments: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f> The report present information on interest rate and inflation

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer is presenting a link to the Fiscal Management Report which has been appropriately assessed by the researcher. Upon further examination, the selected answer (d) must be maintained because the narrative and information presented do not constitute a macroeconomic forecast as it has been explained by the researcher.

15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive's Budget Proposal:

Answer:

None of the above

Source:

Link to the Fiscal Management Report 2023,
<https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The Fiscal Management Report 2023 provides broad assumption that to Enable economic recovery by 2023 and achieve economic growth over 3.5 percent by 2024 while enhancing the growth over 5.0-6.0 percent over the period ahead with required structural adjustments. Unemployment rates are expected to be maintained below 5.0 percent through appropriate reforms to enhance labour market conditions. Inflation would be reverted to single digit inflation to restore price stability and ensuring a moderate real interest rate in the medium term. (Page 6).

However, these numbers are not sufficient to be eligible to be seen as the macroeconomic forecast as these indicators have not been presented in a forward-looking manner. Hence answer 'None of the above' has been selected.

Peer Reviewer

Opinion: Disagree

Suggested Answer: GDP Growth Inflation rate Interest rates

Government Reviewer

Opinion: Agree

IBP Comment

see previous comment

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:

- *The United States in its 2021 Budget Analytical Perspectives includes a section titled Sensitivity of the Budget to Economic Assumptions along with a table that shows the impact of each economic scenario on revenues, spending, and the deficit. (see pages 16 – 17, <https://www.govinfo.gov/content/pkg/BUDGET-2021-PER/pdf/BUDGET-2021-PER.pdf>).*
- *The Philippines in its 2021 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see page 131, Table A.6 titled "Budget Sensitivity to Macroeconomic Parameters, 2021," (<https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2021/A6.pdf>); pages 12-13, Technical Notes on the 2021 Proposed National Budget (<https://www.dbm.gov.ph/images/pdf/Technical-Notes-on-the-2021-Proposed-National-Budget.pdf>)).*

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.

Answer:

d. No, information related to different macroeconomic assumptions is not presented.

Source:

n/a

Comment:

The EBPs or any supporting document don't present a sensitivity analysis based on the assumed real and nominal GDP, inflation rates and interest rates.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Answer:

c. Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

Source:

Link to the Budget Speech 2023:

<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The Budget Speech 2023 includes a narrative description on the impact of the new policy proposals along with the budget allocation to initiate the specific budget proposal. However, it does not show how all expenditure proposals can impact total expenditure of the FY 2023.

The Budget Speech 2023 includes new Expenditure proposals, Annexure III- Expenditure proposals (Page 38) and Annexure VII- Technical Notes- Part I – Taxation (Page 43-47) provides the impact of some but not all expenditure proposals in a narrative form under the technical note.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18)

and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

Source:

The Budget Speech 2023:

<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The Budget Speech 2023 includes Annexure VII- Technical Notes- Part I – Taxation (Page 43-47) provides the impact of some but not all revenue proposals in a narrative form under the technical note.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:

b. Yes, expenditure estimates for BY-1 are presented by two of the three expenditure classifications.

Source:

1-Administrative unit classification- Link to Budget Estimates (Draft) 2023 Volume I-Government Expenditure by Ministry / Special Spending Unit-

2- Economic Classification- Link to Budget Estimates (Draft) 2023: Volume I: Page XL- Table 4.5: Summary Of Expenditure By Category And Object Code: <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Speech 2023- Page 36: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

3- Functional Classification of expenditures for the year preceding the budget year is not presented in any document.

Comment:

The administrative classification and economic classification of expenditures are included in the Budget Estimates (Draft) 2023. It contains actuals for 2021, revised estimates for 2022, estimates for 2023.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).

IBP Comment

The comment from the government reviewer is well received with thanks. However, upon reviewing again the documents for the Executive Budget Proposal, a functional classification for BY-1 has not been found, and therefore answer (b) should be maintained.

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

GUIDELINES:

Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-1.

Source:

Link to Budget Estimates (Draft) 2023- Volume I:
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

As per the OBS 2023 guidelines, 'Program' could be any level of detail below an administrative unit. Budget Estimates (Draft) Volume I, II and III present the levels of all estimated expenditure under the administrative unit. Further, each administrative unit (Ministries and Departments) has a table titled 'Programme Summary' which contain 'Development Activities', allocations for major new projects which can be considered as programmes.

This has been considered as the programmes as of OBS 2023.

Further, the Budget Estimates (Draft) 2023 Volume I include actual expenditure for 2021 (BY-2) and revised estimates for 2022 (BY-1).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?

GUIDELINES:

Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

Answer:

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

Source:

Link to Budget Estimates (Draft) 2023- Volume I:

<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I includes actual expenditure for 2021 (BY-2) and revised estimates for 2022 (BY-1). The Table 4.4- Government Expenditure by Ministry / Special Spending Unit - Page XXXVI

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications

Answer:

b. Yes, expenditure estimates for BY-2 and prior years are presented by two of the three expenditure classifications.

Source:

Link to Budget Estimates (Draft) 2023- Volume I:
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I includes actual expenditure for 2021 (BY-2) and revised estimates for 2022 (BY-1). The Table 4.4- Government Expenditure by Ministry / Special Spending Unit - Page XXXVI

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Researcher Response

1-Administrative unit classification- Link to Budget Estimates (Draft) 2023 Volume I-Government Expenditure by Ministry / Special Spending Unit- Page XXXVI: <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442> 2- Economic Classification- Link to Budget Estimates (Draft) 2023: Volume I: Page XL- Table 4.5: Summary Of Expenditure By Category And Object Code: <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442> Link to Budget Speech 2023- Page 36: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8> 3- Functional Classification of expenditures for the year preceding the budget year is not presented in any document.

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

Answer:

Administrative classification
Economic classification

Source:

Link to Budget Estimates (Draft) 2023- Volume I:
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I includes actual expenditure for 2021 (BY-2) and revised estimates for 2022 (BY-1). The Table 4.4- Government Expenditure by Ministry / Special Spending Unit - Page XXXVI

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

Source:

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

As per the OBS 2023 guidelines, 'Program' could be any level of detail below an administrative unit. Budget Estimates (Draft) Volume I, II and III present the levels of all estimated expenditure under the administrative unit.

Further, each Administrative unit (Ministries and Departments) has a table titled 'Programme Summary' which contain 'Development Activities', allocations for major new projects which can be considered as programmes. This has been considered as the programmes as of OBS 2023.

Further, the Budget Estimates (Draft) 2023 Volume I includes actual expenditure for 2021 (BY-2) and revised estimates for 2022 (BY-1).

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

GUIDELINES:

Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Link to Budget Estimates 2023 Volume 1 (Draft): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Link to Budget Estimates 2023 Volume 2 (Draft): <https://www.treasury.gov.lk/api/file/c2669230-60ee-480f-9943-7266658a3e55>

Link to Budget Estimates 2023 Volume 3 (Draft): <https://www.treasury.gov.lk/api/file/99b56746-323e-472c-bf49-a25d5bddf2ca>

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The Budget Estimates (Draft) 2023 Volume I includes actual expenditure for 2021 (BY-2) and revised estimates for 2022 (BY-1). The Table 4.4- Government Expenditure by Ministry / Special Spending Unit - Page XXXVI

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 are presented by category.

Source:

Link to Budget Estimates (Draft) 2023 - Volume I- Table 3.2.1 Government Revenue - Tax Revenue (Page XXIII) and Table 3.2.2 Government Revenue - Non-Tax Revenue (Page XXV): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I presents the all revenue estimates by category (tax and non-tax) for 2021 (BY-2) and for 2022 (BY-1).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

Source:

Link to Budget Estimates (Draft) 2023 - Volume I- Table 3.2.1 Government Revenue - Tax Revenue (Page XXIII) and Table 3.2.2 Government Revenue - Non-Tax Revenue (Page XXV): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I presents the all revenue estimates by category (tax and non-tax) for 2021 (BY-2) and for 2022 (BY-1).

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Source:

Link to Budget Estimates (Draft) 2023 - Volume I- Table 3.2.1 Government Revenue - Tax Revenue (Page XXIII) and Table 3.2.2 Government Revenue - Non-Tax Revenue (Page XXV): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I presents the all revenue estimates by category (tax and non-tax) for 2021 (BY-2) and for 2022 (BY-1).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

Link to Budget Estimates (Draft) 2023 - Volume I- Table 3.2.1 Government Revenue - Tax Revenue (Page XXIII) and Table 3.2.2 Government Revenue - Non-Tax Revenue (Page XXV): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I presents the all revenue estimates by category (tax and non-tax) for 2021 (BY-2) and for 2022 (BY-1).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

Source:

Link to Budget Estimates (Draft) 2023 - Volume I- Table 3.2.1 Government Revenue - Tax Revenue (Page XXIII) and Table 3.2.2 Government Revenue - Non-Tax Revenue (Page XXV): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I presents the all revenue estimates by category (tax and non-tax) for 2021 (BY-2) and for 2022 (BY-1).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Link to Budget Estimates (Draft) 2023 - Volume I- Table 3.2.1 Government Revenue - Tax Revenue (Page XXIII) and Table 3.2.2 Government Revenue - Non-Tax Revenue (Page XXV): <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Estimates (Draft) 2023 Volume I presents actual revenue outcomes for 2021 (BY-2).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Two years prior to the budget year (BY-2).

IBP Comment

The comment is well received. This answer has been corrected from (b) to (a) considering the input from the researcher: All budget documents have consistently presented BY-2 actuals. In some years, these were labeled as provisional, but they are, in fact, actual figures, not provisional. Therefore, the answer 'a' is indeed the correct response.

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*
- *maturity profile of the debt; and*
- *whether it is domestic or external debt.*

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

Answer:

c. Yes, information is presented, but it excludes some core elements.

Source:

1-Total debt outstanding at the end of BY-1- Public Debt Repayment (Domestic and Foreign Debt) for 2022 (BY-1): Link to Budget Estimates (Draft) 2023- Volume I (Page XLII) <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Fiscal Management Report 2023 (Page 37)- External Debt Stock and External Debt Service Payments: Link to Fiscal Management Report 2023:

<https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

The deficit information provided in annexure 1 'Summar5r of the Budget Estimates 2023' on page 36 of the Budget Speech 2023 can be used as a proxy for net new borrowing during BY-1. Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

2- Amount of net new borrowing required during BY-1: Despite some information until sept 2022, this is not sufficient to satisfy the requirement of the question The Budget Speech doesn't provide the gross borrowing requirement for 2022 (BY-1)

3- Interest payments on the debt: Interest Payments for Domestic and Foreign Debt-Link to Budget Estimates (Draft) 2023- Volume I (Page XLI) <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

4-Interest rates on the debt instruments are not presented in the EBPs or in any supporting document (Appropriation, A Bill, Democratic Socialist Republic of Sri Lanka Bill No.154. Budget Estimates 2023 (Draft) Volume I. Budget Estimates 2023 (Draft) Volume II. Budget Estimates 2023 (Draft) Volume III. Budget Speech 2023. Fiscal Management Report 2023)

5-Maturity profiles of the debt instruments are not presented in the EBPs or in any supporting document (Appropriation, A Bill, Democratic Socialist Republic of Sri Lanka Bill No.154. Budget Estimates 2023 (Draft) Volume I. Budget Estimates 2023 (Draft) Volume II. Budget Estimates 2023 (Draft) Volume III. Budget Speech 2023. Fiscal Management Report 2023)

6- Type of the debt (Total Foreign Financing and Total Domestic Financing is included Annexure I-Summary of the Budget 2023 (Page 36), however this information cannot be considered as it does not provide an overall view and it does not satisfy the requirement of this question. Link to the Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The Fiscal Management Report 2023 presents information on foreign financing and market borrowings for 2023 including their currency, maturity profile and interest rates- Table 1.16: Foreign Financing Commitments with Terms - from January to September 2022 (Page 35)-Link to the Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Table 1.15. Table 1.12: Behavior of Yield Rates (%) on Government Securities and Exchange Rate from 2021 to 2022. However, the information doesn't cover the 12 months of 2022 (BY-1) it only covers 9 months of 2022. Link to Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Maturity profile of the debt: Interest rates on debt: The EBPs (Appropriation Bill 2023, Budget Estimates (Draft) 2023 Volume I, Budget Speech 2023 and Fiscal Management Report 2023) doesn't present any information on interest rates on debts for 2023. However, the Fiscal Management report 2023 present maturity /availability period from the date of signing (years) of the debt for the period of January to September 2022 in Table 1.16: Foreign Financing Commitments with Terms - from January to September 2022 (Page 35)-Link to the Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

GUIDELINES:

Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:

d. No actual data for government debt are presented in the budget or supporting budget documentation.

Source:

Type of the debt (Total Foreign Financing and Total Domestic Financing is included) Annexure I -Summary of the Budget Speech 2023 (Page 36):
<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Domestic and Foreign Financing- Table 4.3 National Level Financing- Link to the Budget Estimates (Draft) 2023 (Page XXXV):

<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Speech 2023, (Page 36) Annexure I contain information on Type of the debt (Total Foreign Financing and Total Domestic Financing). However, it provides the data on foreign and domestic financing corresponding to actual outcomes for 2021, not the stock of total debt outstanding; and this is not enough to satisfy the requirement of the question, since the financing is referring to the new borrowing for that year to cover the deficit and not the total outstanding debt. Hence, answer d) has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?"

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

GUIDELINES:

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- *a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and*
- *estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)*

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is

presented. A “c” answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer “d” applies if no information is presented on extra-budgetary funds.

Please provide in the comments a list of all known extra-budgetary funds.

Answer:

d. No, information related to extra-budgetary funds is not presented.

Source:

n/a

Comment:

The EBPs and supporting documentation do not provide this information.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

34. Does the Executive’s Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

GUIDELINES:

Question 34 asks whether the Executive’s Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government’s financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government’s activities. To get a full picture of the central government’s finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances, including both revenues and expenditures, is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF’s Fiscal Transparency Handbook (2018): <https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) For the purpose of answering this question, please consider only the central government level.

In order to answer “a,” the Executive’s Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:

b. No, central government finances are not presented on a consolidated basis.

Source:

n/a

Comment:

The Budget Estimates (Draft) provides the Consolidated Budget and this includes both provincial council (subnational level) revenue and expenditure estimates for 2023.

However, Sri Lanka doesn’t present extrabudgetary funds in its EBPs or in supporting documents. The Revenue of the provincial councils is recorded in Budget Estimates (Draft) 2023 Volume I (Page XXII): Table 3.2.3 Provincial Council Revenue:

<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

GUIDELINES:

Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

Answer:

b. Yes, estimates of all intergovernmental transfers are presented, but a narrative discussion is not included.

Source:

1-Intergovernmental transfers for 2023- Appropriation, A Bill, Democratic Socialist Republic of Sri Lanka to provide for the service of the financial year 2023 presents allocations Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, including the classification of recurrent and capital expenditure for both (Page 21-25). Allocations for each provincial council and Minister are broken down to allocation for Operational Activities and Development Activities.

2-Allocations to Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government transfers, capital transfers and capital expenditure on Provincial Councils (2021-2023) Table 4.4 Government Expenditure by Ministry / Special Spending Unit (Page XXXVI-XXXIX): Budget Estimates (Draft) 2023 Volume I:

<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Expenditure estimates of Minister of Provincial Councils and Local Government - Budget Estimates (Draft) 2023 Volume III (Page 460-462):

<https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

3- Fiscal Management Report 2023 provides a narrative description on the purpose of the allocations by central government to one of the expenditure components (Salaries of Provincial Council staff) for the first 9 months of 2020 (Page – 30):

<https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The Expenditure estimates for each administrative unit is provided in the Budget Estimates (Draft) 2023 Volume III:

<https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by

income, or by region) to illustrate the financial impact of budget policies on different groups of citizens, for at least the budget year?

GUIDELINES:

Question 36 asks about “alternative displays” of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.

For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.

The IBP Budget Brief, “How Transparent are Governments When it Comes to Their Budget’s Impact on Poverty and Inequality?”

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,

- Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).
- The UK’s 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf).
- South Africa’s 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).

To answer “a,” the Executive’s Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer “b,” the Executive’s Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A “c” applies if only one type of alternative display of expenditure is presented. Answer “d” applies if no alternative display of expenditure is presented.

Answer:

d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

Source:

n/a

Comment:

The documents which are qualified to be considered as Executive’s Budget Proposal or any supporting budget documentation do not present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of policies on different groups of citizens.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive’s Budget Proposal:

Answer:

None of the above

Source:

n/a

Comment:

The documents which are qualified to be considered as Executive's Budget Proposal or any supporting budget documentation do not present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of policies on different groups of citizens.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

GUIDELINES:

Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.

Please provide in the comments a list of all known public corporations.

Answer:

c. Yes, estimates of some but not all transfers to public corporations are presented.

Source:

1-Link to Budget Estimates (Draft) 2023 Volume I: <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

2-Link to the Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

1- Each head of expenditure (Ministries/ Departments) in the Budget Estimates (Draft) 2023 Volume I, contain a component named 'Transfers' which consist of transfers to public institutions. Eg: HEAD 112 Minister of Foreign Affairs - 02 Development Activities - 02 Administration & Establishment Services (Page 424) has transfers to public institutions. Examples: 1- Lakshman Kadiragamar Institute for International Relations and Strategic Studies and Secretariat for National Ocean Affairs (Page 425); 2- National Oceanic Affairs Committee Secretariat (Page 424).

2- Transfers to Public Corporations & Institutions during January 2022 to September 2022 are included in the Fiscal Management Report 2022, Table 1.2: Estimated and Actual Revenue and Expenditure - 2022 (Page 17).

Peer Reviewer

Opinion: Agree

Comments: The comment should refer to Fiscal Management Report 2023 (not 2022), Table 1.2: Estimated and Actual Revenue and Expenditure - 2022 (Page 17) .<https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Government Reviewer

Opinion: Agree

IBP Comment

The comment from the Peer Reviewer is well received with thanks.

38. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

GUIDELINES:

Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:

- A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);
- The identification of intended beneficiaries of the quasi-fiscal activity.

The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.

The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.

If quasi-fiscal activities do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question.

Answer:

c. Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.

Source:

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The Budget Speech 2023 Paragraphs provide detailed information on quasi fiscal activities including the core elements such as the purpose of the introduced policy and the targeted beneficiaries.

For example:

Page 19 - Insurance coverage for Private Sector Employees: "It is noted that the number of private sector employees who lose their jobs due to various reasons is on the increase. As this has become a very complex social issue with the current economic crisis, I propose to provide insurance coverage to provide a monthly allowance for a maximum of three months covering the period from the loss of employment and re-employment and to establish an insurance fund for this purpose. Further, a large number of people are benefitted from the Agrahara health insurance system provided for government employees and I propose to provide similar health insurance to Private sector employees as well. A contribution is provided to the

Employees' Trust Fund by the employers on behalf of private sector employees. Therefore, it will be a duty and responsibility to provide some relief from the Employees Provident Fund' Accordingly, Accordingly, it would be appropriate to allocate a certain amount from the Employees' Trust Fund for the proposed health and insurance coverage. Accordingly, Employees' Trust Fund Act should be amended incorporating these two schemes under the Employees' Trust Fund."

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:

Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- *A listing of the financial assets; and*
- *An estimate of their value.*

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.

Answer:

d. No, information related to financial assets is not presented.

Source:

n/a

Comment:

The documents that are qualified to be considered as the EBPs and the supporting documents do not contain a list of financial assets and their estimated values. However, the Fiscal Management Report 2018 provides actuals of Direct Investment: Assets, Other Investment: Assets (Currency and deposits, Trade credits and advances, other accounts receivable) and Reserve Assets for quarter 1 and 2 of 2022 in Table 7-Balance of Payments- 2022 (Page 77).

Link to the Fiscal Management Report 2023:

<https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:

d. No, information related to nonfinancial assets is not presented.

Source:

n/a

Comment:

The documents that are qualified to be considered as the EBPs and the supporting documents do not contain a list of non-financial assets by category.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

GUIDELINES:

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:

d. No, estimates of expenditure arrears are not presented.

Source:

n/a

Comment:

The documents that are qualified to be considered as the EBPs and the supporting documents do not contain estimates of expenditure arrears.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

GUIDELINES:

Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:

- a statement of purpose or policy rationale for each contingent liability;
- the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and
- the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).

Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."

Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.

For more details on contingent liabilities, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and page 59 (Box 11) and Principle 3.2.3 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the

core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

Answer:

c. Yes, information is presented, but it excludes some core elements or some contingent liabilities.

Source:

Link to Budget Speech 2023:

<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The Budget Speech 2023 provides one core element out of three on the contingent liabilities which insurance programmes.

For example: Insurance coverage for Private Sector Employees:

Page 19 – "It is noted that the number of private sector employees who lose their jobs due to various reasons is on the increase. As this has become a very complex social issue with the current economic crisis, I propose to provide insurance coverage to provide a monthly allowance for a maximum of three months covering the period from the loss of employment and re-employment and to establish an insurance fund for this purpose. Further, a large number of people are benefitted from the Agrahara health insurance system provided for government employees and I propose to provide similar health insurance to Private sector employees as well. A contribution is provided to the Employees' Trust Fund by the employers on behalf of private sector employees. Therefore, it will be a duty and responsibility to provide some relief from the Employees Provident Fund' Accordingly, Accordingly, it would be appropriate to allocate a certain amount from the Employees' Trust Fund for the proposed health and insurance coverage. Accordingly, Employees' Trust Fund Act should be amended incorporating these two schemes under the Employees' Trust Fund."

Though one out of three core elements are presented there are no additional information and thereby 'c' is selected.

Peer Reviewer

Opinion: Agree

Comments: FISCAL MANAGEMENT REPORT 2023- ANNEX I The List of Treasury Guarantees Issued by the General Treasury - September 30, 2022 includes information on guarantees

Government Reviewer

Opinion: Agree

Comments: In addition that list of treasury guruntees as at 30th September 2022 is available in annex 1 of the Fiscal Management Report 2023 <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

IBP Comment

The comments from the reviewers are well received with thanks. A note that the information eligible to be assessed must correspond to the fiscal year of the proposal (2023). Therefore, this question asks for contingent liabilities estimates for the period 2023.

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- *Projections that cover a period of at least 10 years.*
- *The macroeconomic and demographic assumptions used in making the projections.*
- *A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.*

The IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example

consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:

n/a

Comment:

The documents that are qualified to be considered as the EBPs and the supporting documents do not contain projections that assess the government's future liabilities and the sustainability of its finances over the longer term.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

GUIDELINES:

Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:

c. Yes, estimates of some but not all sources of donor assistance are presented.

Source:

Link to Budget Estimates (Draft) 2023 Volume I:
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

The Budget Speech 2023 provides an aggregate figure of LKR 7 billion for grants which goes as non-tax revenue. Each Expenditure Head, in the Budget Estimates (Draft) 2023 states the mode of financing (Domestic/Foreign) at the end to show how they are planning to finance that specific Expenditure Head.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates of all sources of donor assistance are presented, but a narrative discussion is not included.

IBP Comment

The comment is well received. It is important to note that question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. However, the level of information presented in both, the aggregate and by Heads, does not allow the identification of the type of donor assistance that it refers to, and therefore, answer (c) should be maintained.

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:

Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- a statement of purpose or policy rationale;
- a listing of the intended beneficiaries; and
- an estimate of the revenue foregone.

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

Answer:

c. Yes, information is presented, but it excludes some core elements or some tax expenditures.

Source:

Link to Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The budget speech states in the following points some activities that in nature, could be considered tax expenditures.

34. Tax Policy Measures

34.3 Crude estimate suggests that revenue forgone due to the VAT exemptions granted to various sectors, including electricity, transport and fuel, is estimated to be more than 1 percent of GDP. Hence, it is proposed to remove certain exemptions after reviewing. Amendments to the VAT Act to remove certain exemptions will be made effective from 01 April 2023.

62. Facilities for the Production of Solar Energy/ Electric Cars:

62.1. In order to promote the production of electricity using renewable energy and to encourage the local production of related solar panels' solar panels used to produce solar energy under the combined classification code 8541'10 and inverters under the combined classification code 8504 40 are currently under taxation on imports. I propose to remove Port and Airport Development Levy and Social Security Levy effective 01.01.2023

62.2. Also, necessary incentives will be provided to promote the use of electric cars Locally as well as assembling them. Accordingly, Social security Contribution Levy will be waived only for organizations that assemble motor vehicles and add at least 25% local value and produce the required parts locally.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

GUIDELINES:

Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all individual earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all individual earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

Answer:

d. No, estimates of earmarked revenues are not presented.

Source:

Link to Budget Speech 2023:

<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The documents that qualify to be considered as the EBPs and the supporting documents do not contain information related to estimates of earmarked revenues. There are measures proposed in the Budget Speech 2023 that are similar to earmarked revenues.

E.g.- "Establishing a Road Maintenance Fund - The maintenance of the country's road system is costly whereas the amount of provisions that can be allocated from the budget annually for this purpose is limited. Accordingly, I propose to establish a Road Maintenance Fund by charging an annual fee not less than Rs. 100 per vehicle when obtaining revenue licenses. The fund is expected to provide for all types of road maintenance annually. To set up the fund, I propose to allocate Rs. 100 million in 2023 budget. I request the Ministry of Highways to establish a mechanism for this purpose." (Page 31).

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.

Source:

Link to Budget Speech 2023:

<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The budget for 2023 was formulated focusing on build as a social market economy, or an "open economic system of social protection". Three main things would be focused in this new economy: An export oriented competitive economy' 2. An environmentally friendly green and blue economy' 3. A digital economy.

The Budget Speech 2023 has presented some goals and policy proposals related to the budget in the speech. However, the majority of them, are not clearly linked to the budget in the Speech 2023 (through an explicit estimate).

For example:

1 - The Budget Speech 2023, Page 12 states government policy measures on enhancing Sri Lanka's ability to compete in global markets through innovation efficiency, and quality. In the same page, information on budget proposals to achieve this policy through establishing an International Trade Office to deal with all the international trade negotiations.

2 - The Budget Speech 2023, Page 19 – states government policy to make it mandatory for all the government payments electronically (online) with effect from: 01.03.2024 including cash grants to the respective recipients as well as the payments for obtaining services from various government agencies by the public. In the same page, information on budget proposals to achieve this policy such as, all government agencies should also take action to prepare a program enabling online payments for those services and introduce the necessary legal changes with estimated allocations is provided in the page 19.

Peer Reviewer

Opinion: Agree

Comments: Also refer to FISCAL MANAGEMENT REPORT 2023- Fiscal Strategy Statement

Government Reviewer

Opinion: Agree

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

d. No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.

Source:

Link to Budget Speech 2023:

<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

As explained in question 47 (Refer the comment), the Budget Speech 2023 provides policy goals and some expenditure estimates with allocations for the upcoming budget year.

Further, the expenditure estimates for the budget year consist of operational and development expenditure. Development expenditure estimates consist of expenditure for long term capital investment projects.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

GUIDELINES:

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Source:

Link to Budget Speech 2023:

<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The Budget Speech for the BY2023 does provide nonfinancial data on inputs for some programs.

e.g.- The Budget Speech 2023 (Page20) proposal 'Electronic Scheme for Food Safety' to maintain an up-to-date data system for planning and implementing activities relating to food safety.

'Lands for Agricultural Exports' another proposal aims to that large parcels of unutilized/unproductively used lands will be leased out on long-term basis to grow exportable crops. Further, a new law to facilitate the proposed agricultural land lease program will also be presented to this house. (Page 13)

Under infrastructure development, the budget speech 2023 also mentions a proposal that aims to o introduce a three-year Logistics Development Programme during the period of 2023 to 2027 targeting to improve the logistics performance of Sri Lanka among the first 70 countries. (Page 12)

However, these budget statements do not include the estimation of non-financial inputs to be acquired during the fiscal year, hence answer d) has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Comments: The information related to non financial data are included under each Ministries in deatailed budget estimates as targeted outcomes and KPIs connecting to major targets For Example, with regared to education printing of 32,540,750 school text books is mentioned in page number 223 volume II of Budget Estimate 2023. <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

IBP Comment

The comment is well received. Indeed, page 223 from Volume II shows some information about nonfinancial inputs for the budget year. For instance, the number of shoes provided to students, the number of expected printed textbooks, and the number of school uniforms provided to students.

However, not all projects or programs show expected non-financial inputs, and therefore, a (c) response is consistent with the level of information presented. The answer has been revised from (d) to (c).

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

GUIDELINES:

Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.

Answer:

c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

Source:

Link to Budget Estimates (Draft) 2023 Volume I: <https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

Budget Estimates 2023 provides non-financial outputs for most of the ministries under "2023 target" for each Ministry line. Examples:
1 Page 61) - Ministry of Buddhasasana, Religious and Cultural Affairs Operations has the programs a) "Construction of an office complex for the ministry with the expected output of completing 25% of renovation. b) Development of rural Buddhist temples with the expected output of developing 400 temples.
2 - (Page 211) - Ministry of Defence has the programs a) "Completion of Construction at defense headquarters - Akuregoda with the expected output of completing blocks 1, 2, 3, and 4. b) Resettlement of displaced people due to landslide threats and landslide with the expected output of resettling 2000 families.
3 - (Page 303) -Ministry of Justice, Prison Affairs and Constitutional Reforms a) "Construction of Galle court complex with the expected output of completing 90% of the construction.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

GUIDELINES:

Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:

b. Yes, performance targets are assigned to most nonfinancial data on results.

Source:

Link to Budget Estimates (Draft) 2023 Volume I:
<https://www.treasury.gov.lk/api/file/7066fb23-75ce-44ff-8256-8807f3888442>

Comment:

Budget Estimates 2023 provides performance targets for most ministries under the "KPIs" column.

For instance, on page 211, the Ministry of Defence has the program "Completion of Construction at defense headquarters - Akuregoda with the expected output of completing blocks 1, 2, 3, and 4. The performance target is presented as "completion of 87% construction work of phase I"

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

GUIDELINES:

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:

b. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but a narrative discussion is not included.

Source:

Link to Budget Speech 2023:

<https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Comment:

The Budget Speech 2023 proposal 'Improving Facilities in Rural Schools' for the construction of sanitary facilities, particularly toilets with proper water facilities, or to provide water facilities for existing toilets in 139 provincial schools and 23 national schools, as well as in rural schools with minimal facilities. a provision of Rs' 200 million will be made in this regard. (Page 16).

The proposal 'Providing Internet Facilities to Schools' proposes to provide to provide internet facilities to the school system for advancement of the education system with the latest technology. As the first step, free internet facilities to 1,000 senior and junior secondary schools located in remote areas will be facilitated with the contribution of the Telecommunication Regulatory Commission, along with the concept of Corporate Social Responsibility of institutions that provide internet facilities and other private sector institutions. (Page 16).

'Development of Inland Fisheries Industry' is a proposal that aims to increase the nutritional level of the public, the opportunity to obtain more fish products should be increased., by allocating LKR 100 million to increase the capacity of the existing fish breeding centers to facilitate inland fisheries industry (Page 20)

'Establishing 10 Agro-entrepreneurship Villages' is a proposal that aims to transform the farmers involved in the agriculture industry into Agro-entrepreneurs and thereby generate employment opportunities. By establishing 10 Agro-Entrepreneurship villages in order to encourage export-oriented products with the use of modern technology. Rs. 250 million will be allocated for this purpose." (Page 29).

Additionally, Annexures IV and V contain a narrative only for some but not all policies.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

GUIDELINES:

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:

a. Yes, a detailed timetable is released to the public.

Source:

1- Link to the Parliament Calendar:

<https://www.parliament.lk/parliament-calendar?view=main&viewMode=monthly>

2- Link to the Budget Call:

<https://www.treasury.gov.lk/api/file/f23be152-fbb5-472f-b499-789a9b5d091d#:~:text=In%20order%20to%20reduce%20the,change%20via%20minimum%20in%20puts%22>

Comment:

1-Parliament Calendar keeps a record of all incidences/ activities happened on the Parliament convenes. It also has a brief description on the activity.

Eg: 8th December 2022 - 13th day of the 13 allotted days for the Committee Stage Debate.

2- The Budget Call provides a guide to preparation of proposals for the upcoming budget as well as the submission dates under 8. Submission of Expenditure Estimates (Budget Call-2023).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether “core” information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer “a,” the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer “b,” the Pre-Budget Statement must present all of the core components noted above. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer “d” applies if no information on the macroeconomic forecast is presented.

Answer:

d. No, information related to the macroeconomic forecast is not presented.

Source:

Link to the budget call 2023:

<https://www.treasury.gov.lk/api/file/f23be152-fbb5-472f-b499-789a9b5d091d#:~:text=In%20order%20to%20reduce%20the,change%20via%20minimum%20in%20puts%22.>

Comment:

Sri Lanka produces a pre-budget statement for internal use; it is not published and available for the general public.

It does produce a Budget Call – a circular issued by the National Budget Department as an invitation for budget proposals while providing the guidelines for the preparation of the annual budget estimates to align with the Medium-Term Budgetary Framework 2023-2025. However, the budget call cannot be considered as part of the PBS.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some core elements.

Comments: the fiscal strategy statement and the MTF embedded in the FISCAL MANAGEMENT REPORT 2023 should be referred as PBD, however it is not published until the budget is published (first reading)

Government Reviewer

Opinion: Agree

IBP Comment

As per the comment in question PBS-2, the Pre-budget statement is considered not publicly available as per the timelines criteria of the OBS methodology. In order for the Fiscal Management Report 2023 to be considered a PBS, it must be published at least 1 month before the executive budget proposal is presented in the parliament and include sufficient information as per the OBS methodology. Therefore answer (d) is maintained.

55. Does the Pre-Budget Statement present information on the government’s expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of expenditure policies and priorities; and
- an estimate of total expenditures.

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:

d. No, information related to the government's expenditure policies and priorities is not presented.

Source:

Link to the budget call 2023:

<https://www.treasury.gov.lk/api/file/f23be152-fbb5-472f-b499-789a9b5d091d#:~:text=In%20order%20to%20reduce%20the,change%20via%20minimum%20in%20puts%22.>

Link to National Budget Circular No 03/2022 – Controlling Public Expenditure

<https://www.treasury.gov.lk/api/file/f80c846b-6001-4b3e-8cb2-99c24e377734>

Link to additional material for National Budget Circular No 03/2022:

https://www.presidentsoffice.gov.lk/wp-content/uploads/2022/08/Control_E.pdf

Comment:

Sri Lanka produces a pre-budget statement for internal use; it is not published and available for the general public.

It does produce a Budget Call – a circular issued by the National Budget Department as an invitation for budget proposals while providing the guidelines for the preparation of the annual budget estimates to align with the Medium-Term Budgetary Framework 2023-2025. However, the budget call cannot be considered as part of the PBS.

The budget call outlines the government priorities in a broad sense. For example, the 2023 budget call states that "Projects/Programs which are capable of providing immediate benefits to people and the country within the 2023-2025 medium-term and restoring the lives of the people by uplifting areas that are lagging behind due to the economic crisis should be prioritized in the upcoming budget" ...(Page 2). The document further mentions that strategies and activities should be strictly adhering to the provisions of the Budget Circular No. 03/2022 issued under the title "Controlling Public Expenditure".

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some core elements.

Comments: Total Expenditure and the government's priorities for 2023-2027 are presented in MTF in FISCAL MANAGEMENT REPORT - 2023.

Government Reviewer

Opinion: Agree

IBP Comment

The PBS is considered published late and therefore, not publicly available according to the OBS methodology. Answer (d) must be maintained.

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:

Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of revenue policies and priorities; and
- an estimate of total revenue.

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.

Answer:

d. No, information related to the government's revenue policies and priorities is not presented.

Source:

n/a

Comment:

Sri Lanka produces a pre-budget statement for internal use; it is not published and available for the general public.

It does produce a Budget Call—a circular issued by the National Budget Department as an invitation for budget proposals while providing the guidelines for the preparation of the annual budget estimates to align with the Medium-Term Budgetary Framework 2023-2025. However, the budget call cannot be considered as part of the PBS.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

IBP Comment

The PBS is considered published late and therefore, not publicly available according to the OBS methodology. Answer (d) must be maintained.

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- the amount of net new borrowing needed in the upcoming budget year;
- the central government's total debt burden at the end of the upcoming budget year; and
- the interest payments on the outstanding debt for the upcoming budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

n/a

Comment:

Sri Lanka produces a pre-budget statement for internal use; it is not published and available for the public.

Peer Reviewer

Opinion: Agree

Comments: it is published late . see previous comments

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, one of the three estimates related to government borrowing and debt are presented.

Researcher Response

The Fiscal Management Report 2023, doesn't report any of the three estimates related to government borrowing and debts.

IBP Comment

The comments are well received with thanks. A note that the PBS is considered published late.

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:

b. No, multi-year expenditure estimates are not presented.

Source:

n/a

Comment:

Sri Lanka produces a pre-budget statement for internal use; it is not published and available for the public.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, multi-year expenditure estimates are presented.

Comments: MTFP provides total expenditure for 2023-2027 <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f> page 7

Government Reviewer

Opinion: Agree

IBP Comment

The PBS is considered published late and therefore, not publicly available according to the OBS methodology. Answer (b) must be maintained.

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?**GUIDELINES:**

Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer “a,” the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer “b,” expenditure estimates must be presented by two of the three classifications. A “c” answer applies if expenditure estimates are presented by one of the three classifications. Answer “d” applies if expenditure estimates are not presented by any of the three classifications.

Answer:

b. Yes, the Enacted Budget presents expenditure estimates by two of the three expenditure classifications.

Source:

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Comment:

The main form of expenditure classification in Sri Lanka is administrative classification which is by Ministries, Departments, and Special Spending Heads. Special spending units include the Presidents and Prime Ministers Offices, Parliament, and independent commissions. The administrative classifications and economic classifications are given in the Approved Budget Estimates. The Appropriation Act, No. 43 of 2022 too provides expenditure estimates by administrative classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:

Administrative classification
Economic classification

Source:

Appropriation Act, No. 43 of 2022:
<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>
http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>
Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>
Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Comment:

The main form of expenditure classification in Sri Lanka is administrative classification which is by Ministries, Departments, and Special Spending Heads. Special spending units include the Presidents and Prime Ministers Offices, Parliament, and independent commissions. The administrative classifications and economic classifications are given in the Approved Budget Estimates. The Appropriation Act, No. 43 of 2022 too provides expenditure estimates by administrative classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

Answer:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:

Link to EB Supporting documents:
Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>
Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>
Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Comment:

All three of the approved budget estimates provide information for individual programmes under each administrative unit or spending agency—ministries, departments, and special spending heads in this case.

Each spending agency is provided with a head number. Recurrent and capital expenditure are broken down into operational and development activities depending on the nature of the programme are listed under each head. Further, each expenditure item is further broken down into projects and sub projects.

For example, in Volume 1, the Ministry of Finance is head number 102. All departments that come under the purview of the ministry is listed under it with separate individual spending heads. Under Ministry of Finance expenditure is divided between operational activities (1) and development activities (2).

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by “category”— that is, whether tax and non-tax sources of revenue are shown separately.

To answer “a,” the Enacted Budget must present revenue estimates classified by category.

Answer:

a. Yes, the Enacted Budget presents revenue estimates by category.

Source:

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Comment:

The approved budget estimates provide a detailed breakdown of revenue for both tax and non-tax revenue. These can be found in:

Table 3.2.1. Government Revenue – Tax Revenue (Page XXIII-XXIV)

Table 3.2.2. Government Revenue – Non-Tax Revenue (Page XXV-XXVI)

Table 3.2.3 Provincial Council Revenue (Page XXVII)

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

62. Does the Enacted Budget present individual sources of revenue?

GUIDELINES:

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Source:

Link to EB Supporting documents:

Budget Estimates 2023 volume 1 (Approved): <https://www.treasury.gov.lk/api/file/e286b9e4-59b1-406f-b324-12f2b46969f2>

Budget Estimates 2023 volume 2 (Approved): <https://www.treasury.gov.lk/api/file/f99d5173-a204-4acc-a684-e4581d0828ea>

Budget Estimates 2023 volume 3 (Approved): <https://www.treasury.gov.lk/api/file/02b4cd04-ddc5-449c-8809-90b8bb790954>

Comment:

The approved budget estimates provide a detailed breakdown of revenue for both tax and non-tax revenue. These can be found in:

Table 3.2.1. Government Revenue – Tax Revenue (Page XXIII-XXIV)

Table 3.2.2. Government Revenue – Non-Tax Revenue (Page XXV-XXVI)

Table 3.2.3 Provincial Council Revenue (Page XXVII)

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 63 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing required during the budget year;
- the total debt outstanding at the end of the budget year;
- the interest payments on the outstanding debt for the budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:

Appropriation Act, No. 43 of 2022:

<https://www.parliament.lk/uploads/acts/gbills/english/6281.pdf>

http://documents.gov.lk/files/act/2022/12/43-2022_E.pdf

Link to Volume 1 of the 2023 Approved Budget Estimates:

https://www.treasury.gov.lk/documents/budget/2021/2021_approvedBE_English_V_1.pdf

Comment:

The Appropriation Act 2022 gives the gross borrowings for the year (point b on page 2) and net repayments are provided in volume 1 of the 2023 approved budget estimates as Public Debt Amortization (page XLII). The difference between the two is the net borrowings for the year.

Table 4.5 Summary of Expenditure by Category and Object Code (page XL) in volume 1 of the 2023 approved budget estimates provide the total interest payments on domestic debt, foreign debt, and discounts on treasury bills and bonds are given. In the same table on page XLII public debt repayments for domestic and foreign debt for the fiscal year is also provided.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:

d. The Citizens Budget is not published.

Source:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of

uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizen's budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. The Citizens Budget provides information, but it excludes some core elements.

IBP Comment

The Citizen's Budget is considered not produced on this occasion and therefore, all questions related to this document will score the lowest in this section. Please refer to question CB-2a for further detail

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

d. A Citizens Budget is not published.

Source:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizens budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. A Citizens Budget is published by using at least two, but less than three, means of dissemination, but no other dissemination efforts are undertaken by the executive.

IBP Comment

refer to previous comment

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

GUIDELINES:

Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizens budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>

<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

d. No citizens version of budget documents is published.

Source:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>
<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Comment:

Sri Lanka did not produce a complete citizens budget for the fiscal year 2023. However, the Ministry of Finance did produce the following based on the EBP:

1. An overview document titled "National Budget for what, for whom 2023" that provides a breakdown of expenditure programmes by Ministry. However, not all ministries are captured in the document.
2. Infographics for each major sector, containing details of proposed government spending into each of the sectors. However, there is a lack of uniformity in the level of information provided between each sectoral infographic.

The reason this has not been considered as a citizens budget is that it only captures government expenditure and does not provide a holistic view of government fiscal operations such as revenue and deficit.

The sources for the above two are:

<https://www.treasury.gov.lk/api/file/cf16edca-4745-4bc1-9140-93149cc4f4eb>
<https://www.treasury.gov.lk/web/budget-highlights-2023/section/budget%20proposal%20-%202023>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

- a. A citizens version of budget documents is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit).

IBP Comment

refer to comment in question 64

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic,

and functional classifications – which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Answer:

d. No, the In-Year Reports do not present actual expenditures by any expenditure classification.

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

The IYR reports are considered not publicly available (published beyond the acceptable time frame).

However, as per the example in the source, Table 30 Economic Classification of Government Expenditure on page 297 of the same bulletin provides provisional estimates for salaries & wages, interest, pension, Samurdhi, and other under recurrent expenditure and capital and net lending for the first 11 months of 2022.

Table 29(b) Government Expenditure on page 296 of the September Monthly Bulletin gives the administrative classification of expenditure by ministry for 2022.

Functional and administrative classifications for the year are not provided for expenditure estimates.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

Comments: MID - YEAR FISCAL POSITION REPORT - 2023 (for 4 months) should be considered as IYR Recurrent Expenditure - Capital expenditure, and Sectoral expenditure are presented

Government Reviewer

Opinion: Agree

IBP Comment

The In-Year Reports are considered not publicly available this round due to the reasons provided in question IYR-2.

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

Answer:

None of the above

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

The IYR reports are considered not publicly available (published beyond the acceptable time frame)

However, as per the example in the source, Table 29(b) Government Expenditure (page 296) in the August- December Monthly Bulletin gives the administrative classification of expenditure by ministry.

Table 30 Economic Classification of Government Expenditure (page 297) of the same bulletin provides provisional estimates for salaries & wages, interest, pension, Samurdhi, and other under recurrent expenditure and capital and net lending for the first 11 months of 2022.

Functional classifications are not provided for expenditure estimates.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

Comments: Economic classification Functional classification

Government Reviewer

Opinion: Agree

IBP Comment

The In-Year Reports are considered not publicly available this round due to the reasons provided in question IYR-2.

69. Do the In-Year Reports present actual expenditures for individual programs?

GUIDELINES:

Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

***A note for francophone countries:** "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.

Answer:

d. No, the In-Year Reports do not present actual expenditures by program.

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

The Central bank monthly bulletin does not provide actual expenditures by programme. Table 30 (page 297) provides provisional values for salaries & wages, interest pensions, Samrudhi, capital and net lending, and other under economic classifications. No further breakdown by programme is provided.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The In-Year Reports are considered not publicly available this round due to the reasons provided in question IYR-2.

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:

b. No, comparisons are not made for expenditures presented in the In-Year Reports.

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

Table 30 Economic Classification of Government Expenditure (page 297) provides monthly provisional values (for the months of January, February, March, April, May, June, July, August, September, October and November). The table does not provide any quarterly provisional values. Hence, the report does not allow any comparisons with the same period in the previous year. Yearly comparisons can only be made only for previous years.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

GUIDELINES:

Questions 71 asks whether In-Year Reports present actual revenues by "category" – that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

Answer:

b. No, In-Year Reports do not present actual revenue by category.

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

The IYR reports are considered not publicly available (published beyond the acceptable time frame) However, as per the example in the source, the Central Bank Monthly Bulletin provides a breakdown of provisional government revenue by tax and non-tax in Table 28 Economic Classification of Government Revenue (page 293). In the August-December monthly bulletin (the last bulletin to be published before the OBS 2023 cutoff date), provisional values for tax and non-tax revenue are provided for the months of January, February, March, April, May, June, July, August, September, October and November.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. No, In-Year Reports do not present actual revenue by category.

Comments: non Tax Revenue is presented in MID - YEAR FISCAL POSITION REPORT - 2023

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, In-Year Reports present actual revenue by category.

Comments: Table 1.1 in page number 16 and 1.2 in Page number 17 of Fiscal Management Report 2023 shows the In Year Actual Revenue by category. <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

IBP Comment

The In-Year Reports are considered not publicly available this round due to the reasons provided in question IYR-2.

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

d. No, In-Year Reports do not present individual sources of actual revenue.

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

The IYR reports are considered not publicly available (published beyond the acceptable time frame)

However, as per the example in the source, the Central Bank Monthly Bulletin provides a breakdown of provisional government revenue by tax and non-tax in Table 28 Economic Classification of Government Revenue (page 293). In the August-December monthly bulletin (the last bulletin to be published before the OBS 2023 cutoff date), provisional values for tax and non-tax revenue are provided for the months of January, February, March, April, May, June, July, August, September, October and November.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.

Comments: Table 1.2 in Page number 17 and 1.3 in page number 18 of Fiscal Management Report 2023 shows the In Year Actual Revenue by category. <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

IBP Comment

The In-Year Reports are considered not publicly available this round due to the reasons provided in question IYR-2.

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:

b. No, comparisons are not made for revenues presented in the In-Year Reports.

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

Table 28 Economic Classification of Government Expenditure (page 293) provides monthly provisional values (for the months of January, February, March, April, May, June, July, August, September, October and November). The table does not provide any quarterly provisional values. Hence, the report does not allow any comparisons with the same period in the previous year. Yearly comparisons can only be made only for previous years.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Comments: Table 1.1 in page number 16, 1.2 in Page number 17 and 1.3 in page number 18 of Fiscal Management Report 2023 shows the In Year Actual Revenue by category. <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

IBP Comment

The In-Year Reports are considered not publicly available this round due to the reasons provided in question IYR-2.

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

GUIDELINES:

Question 74 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing so far during the year;
- the central government's total debt burden at that point in the year; and
- the interest payments to-date on the outstanding debt.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three

estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

Table 27 Economic Classification of Government Fiscal Operations (page 292) provides the provisional net borrowings for foreign loans for the first 11 months of 2022. A breakdown of domestic borrowings is provided, but the net figure is not explicitly given.

Table 30 Economic Classification of Government Expenditure (page 297) provides the provisional interest cost for the first 11 months of 2022. This is represented by the item 'Interest' under 'Recurrent Expenditure.'

Table 31 Outstanding Central Government Debt (page 298) gives the provisional outstanding central government debt for both domestic and foreign debt by debt instrument and institution till January to June 2022.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Comments: Mid year report presents information on external Debt Stock and External Debt Service Payments

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Comments: Actual government borrowing and debts, the amount of net new borrowings and interest payments details included in paragraph 1.4 Treasury Operation in page number 32, table 1.14 and 1.15 in page number 33, paragraph 1.5 Foreign Financing in page number 34, and table 1.17 in page number 36 of Fiscal Management Report 2023. <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

IBP Comment

The In-Year Reports are considered not publicly available this round due to the reasons provided in question IYR-2.

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:

Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if

one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:

d. No, information related to composition of total actual debt outstanding is not presented.

Source:

Link to the Monthly Bulletin for August – December 2022:

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/statistics/mbt/monthly_bulletin_august_december_2022.pdf

Comment:

Table 31 Outstanding Central Government Debt (page 298) gives the provisional outstanding central government debt for the year till January to June 2022. The table provides a breakdown of total domestic debt by maturity period (short term and medium and long term), by debt instrument, and by institution. For foreign debt, information is provided by type of debt (project loans and non-project loans with a further disaggregation of the latter) and by institution.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

GUIDELINES:

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:

d. No, the estimates for macroeconomic forecast have not been updated.

Source:

Link to Mid Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid-year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. Further the Mid-Year Fiscal Position Report 2022 does not provide, updated macroeconomic forecasts for the budget year underway. The report has a Key Economic Indicators summary (page vii) but the values are provisional and none of them have projections for the remainder of the fiscal year.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

GUIDELINES:

Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.

Answer:

d. No, expenditure estimates have not been updated.

Source:

Link to Mid-Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid Year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. The Mid-Year Fiscal Position Report 2022 does not have updated expenditure estimates. It provides provisional estimates for the 1st quarter of 2022 and projections for the remainder of the year is not provided.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications.

Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

Source:

Link to Mid Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid Year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. Further the Mid-Year Fiscal Position Report 2022 does not provide updated expenditure estimates for the remainder of the budget year, by any of the three classifications. However, for the period Jan-Apr, the report does provide information on the provisional amounts spent by some ministries (administrative classification), amounts spent on salaries and pensions, interest payments and welfare payments (economic classifications, page 17-18), as well as sectoral expenditure (functional classification, page 19-23).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:

None of the above

Source:

Link to Mid Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid Year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. Further the Mid-Year Fiscal Position Report 2022 does not provide updated expenditure estimates for the remainder of the budget year, by any of the three classifications.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?

GUIDELINES:

Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:

Link to Mid Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid Year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. Further the Mid-Year Fiscal Position Report 2022 does not provide updated expenditure estimates for the remainder of the budget year, by any of the three classifications. However, for the period Jan-Apr, provisional estimates are provided for certain programmes underway in each sector.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.

Answer:

d. No, revenue estimates have not been updated.

Source:

Link to Mid Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid Year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. Further the Mid-Year Fiscal Position Report 2022 does not provide updated revenue estimates for the remainder of the budget year and the revenue

information provided are the provisional figures for the first four months of the year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

GUIDELINES:

Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

Answer:

b. No, the Mid-Year Review does not present revenue estimates by category.

Source:

Link to Mid Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid Year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. Further the Mid-Year Fiscal Position Report 2022 does not provide updated revenue estimates by category (tax and non-tax revenue) for the remainder of the budget year but it does provide provisional revenue information for the first four months of the year by category (tax and non-tax revenue).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present individual sources of revenue.

Source:

Link to Mid Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid Year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. Further the Mid-Year Fiscal Position Report 2022 does not provide individual sources of revenue for the remainder of the budget year but provisional values are provided for the first four months of the year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

GUIDELINES:

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *The amount of net new borrowing required during the budget year;*
- *The central government's total debt burden at the end of the budget year; and*
- *The interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:

d. No, estimates of government borrowing and debt have not been updated.

Source:

Link to Mid Year Fiscal Position Report 2022: <https://www.treasury.gov.lk/api/file/bc1e8eaf-91eb-4cb3-94e0-35d81f65a949>

Comment:

Sri Lanka currently does not publish a document that contains a summary of the first six months of the budget year. It does according to the Fiscal Management (Responsibility) Act, No. 3 of 2003 publish the details of the first four months (January - April) in the 'Mid Year Fiscal Position Report' in June. However, the document has limited data on the first six months and thus cannot be considered a MYR as per the guidelines of OBS 2023. Further the Mid-Year Fiscal Position Report 2022 does not provide debt and borrowing information for the remainder of the budget year, but provisional values are provided for the first four months of the year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

GUIDELINES:

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The Annual Report 2021 mentions the following:

Table 5.6 Government Expenditure by Categories provides the 2021 revised estimated values and 2021 provisional values by category.

Information on page 210, titled Current Year Actual vs Budget provides a comparison of the original budget, revised budget, actual, and variance at the economic classification level for 2021.

On pages 215-218, under Notes to the Financial Statements, budget estimates for 2021 is compared with the actual for all government expenditure items.

Schedule II – Statement of Capital Investment in Development Projects – 2021 lists out individual capital expenditure projects undertaken by each ministry, the provisional value, expenditure, and the actual expenditure as a percentage of provisional value.

Schedule III – Head-wise summary of Budgetary Provision and Expenditure (pages 329-335) provides a comparison between the provisional expenditure, actual expenditure and subsequent savings (in absolute and percentage values) for total, op, and capital expenditure at a spending agency level.

All the additional allocations to Ministries are reasoned in the Table 5.4 | Ministry-wise Summary of Additional Allocations from 01.01.2021 to 31.12.2021 (Pages 89-100).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer “a,” the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer “b” if expenditure estimates are presented by two of these three classifications. Answer “c” if expenditure estimates are presented by one of the three classifications. Answer “d” if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

b. Yes, the Year-End Report presents expenditure estimates by two of the three expenditure classifications.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Two of the three expenditure classifications (administrative and economic classification) are presented in the Annual Report 2021.

1. Administrative Classification: Schedule III – Head-wise summary of Budgetary Provision and Expenditure (pages 329-335); Schedule II – Statement of Capital Investment in Development Projects – 2021
2. Economic Classifications: Table 6.1 Government Treasury Cash Flow Operations – 2021 (pages 114); Notes to Financial Statements (page 215-218); Table 9 Economic Classification of Government Expenditure and Lending Minus Repayments (pages 374)

Functional Classification is not available in 2021 annual report.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

Answer:

Administrative classification
Economic classification

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Two of the three expenditure classifications (administrative and economic classification) are presented in the Annual Report 2021.

1. Administrative Classification: Schedule III – Head-wise summary of Budgetary Provision and Expenditure (pages 329-335); Schedule II – Statement of Capital Investment in Development Projects – 2021
2. Economic Classifications: Table 6.1 Government Treasury Cash Flow Operations – 2021 (pages 114); Notes to Financial Statements (page 215-218); Table 9 Economic Classification of Government Expenditure and Lending Minus Repayments (pages 374)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

86. Does the Year-End Report present expenditure estimates for individual programs?

GUIDELINES:

Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.

Answer:

c. Yes, the Year-End Report presents estimates for programs accounting for less than two-thirds of expenditures.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The Ministry of Finance Annual Report 2021 provides a sectoral breakdown of major development programmes that were conducted during the year.

Table 5.10 | Major Capital Investment in Curative Healthcare Services (page 103)
Table 5.12 | Expenditure on School Education by the Central Government in 2020-2021 (page 104)
Table 5.13 | Major Projects Implemented under General Education Sector (page 104)
Table 5.14 | Expenditure on major Welfare Programs (page 105)
Table 5.18 | Financial assistance to university students (page 106)
Table 5.20 Major projects implemented in 2021 on Skills Development (page 107)
Table 5.21 | Major Projects Launched in 2021 on Public Transport (page 107)
Table 5.22 | Major projects launched by Ports and Shipping in 2021 (page 107)
Table 5.23 | Major Road Development Projects in 2021 (page 108)
Table 5.24 | Expenditure on Agriculture Sector in 2021 (page 109)
Table 5.25 | Some Major Water Supply and Sanitation Projects Implemented in 2021 (page 110)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The annual report 2021 provides the following:

The narrative explanation of deviations is provided on page 52 under 4.1 Overview for the deviations:

"The actual government revenue of Rs. 1,457.1 billion in 2021 was around one-fourth or Rs. 494 billion aberration of the annual estimated revenue of Rs. 1,951 billion. The aberration was mainly due to the low revenue mobilization from several taxes such as taxes on external trade including Customs Import Duty (CID), Special Commodity Levy (SCL), corporate income tax, excise taxes including liquor, cigarettes, petroleum and motor vehicles and non-tax revenue such as profits and dividends and fees and charges stemming from both domestic and external challenges. The actual tax revenue of Rs. 1,298 billion was a 25.0 percent or Rs. 426 billion below the estimated tax revenue of Rs. 1,724 billion while non-tax revenue of Rs. 159 billion was a 30.0 percent or Rs. 68 billion deviations from the estimate of Rs. 227.0 billion."

Table 4.2 Estimates and Actual Revenue - 2021 (page 53) provides the estimated value, actual value, and the deviation by category. Explanations for deviations and changes that occurred during the year are provided in the subsequent pages.

Table 4.11 Variance Analysis of Government Revenue (page 64) provides the 2020 actual, 2021 estimate, 2021 revised estimates and 2021 provisional, and the reason for the deviation for tax and non-tax revenue sources.

Notes to the Financial Statements (page 215-218) provides a breakdown of the 2021 budget estimate and the 2021 actual by each individual source of revenue.

Information on page 210, titled Current Year Actual vs Budget provides a comparison of the original budget, revised budget, actual, and variance at the economic classification level for 2021

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 88 asks whether revenue estimates in the Year-End Report are presented by "category" – that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

Answer:

a. Yes, the Year-End Report presents revenue estimates by category.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Table 4.2 Estimates and Actual Revenue - 2021 (page 53)

Table 4.11 Variance Analysis of Government Revenue (page 64)
Notes to the Financial Statements (page 215-336)
Current Year Actual vs Budget (page 210)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

89. Does the Year-End Report present individual sources of revenue?

GUIDELINES:

Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.

To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Individual sources of revenue can be found in:

Table 4.2 Estimates and Actual Revenue - 2021 (page 53)

Table 4.3 | Government Revenue (page 57) provides the sources of both tax and non-tax revenue.

Table 4.4 | Government Tax Revenue - By Source (page 59) provides all tax revenue sources.

Table 4.10 | Non-Tax Revenue (page 64) provides a breakdown of non-tax revenue.

Additional tables which also provides sources of revenue:

Table 4.2 Estimates and Actual Revenue - 2021 (page 53)

Current Year Actual vs Budget (page 210)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- the amount of net new borrowing required during the budget year;
- the central government's total debt burden at the end of the budget year; and
- the interest payments on the outstanding debt for the budget year.

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The difference between estimates and actual net new borrowing required in the budget year is discussed on page 114 (table 6.1), and the difference between initial and actual estimates of interest payments is shown on page 121.

However, a narrative discussion is not provided for the rest of the differences between the core elements. The Annual Report of 2021 provides the following:

1. Table 6.1 | Government Treasury Cash Flow Operations – 2021 (page 114) provides total estimated and actual debt repayment (by domestic and foreign) for the year and the total estimated and actual interest paid for the year.
 2. 6.3 Government Borrowing Programme – 2021 (page 115) provides the following explanation: "Parliament approved the borrowing limit of Rs. 2,997 billion as specified in the Appropriation Act, No. 07 of 2020 and it was subsequently increased up to Rs. 3,397.0 billion for financing the resource gap in the Budget 2021. The Actual gross borrowing in 2021 was Rs. 3,376.0 billion of which Rs. 2,856.5 billion was from domestic sources and the rest of Rs. 519.5 billion, was from foreign sources".
- A further narrative is provided through 6.4 Financing of the Budget
3. Table 6.5 Central Government Domestic Debt provides a detailed breakdown by instrument, maturity, marketability, ownership, and institution for the years 2013-2021. (pages 121-123)
 4. 6.5.2. Outstanding Central Government Foreign Debt provides a narrative of the foreign debt standing by the end of the year.
 5. Table 6.6 Domestic Debt Service Payments provides a breakdown of the principal and interest payments over the years 2010-2021
 6. A comparison between the budgeted and actual Finance Cost is provided in the Statement of Cash Flows (page 208)
 7. Current year Actual vs Budget (page 210) provides a comparison between original budget, revised budget, actual, and variance for interest payments and foreign and domestic debt repayments.
 8. Note 8 under Notes to the Financial Statements (page 220) provides a comparison between the budgeted and actual domestic debt, foreign debt, and discounts on treasury bills and bonds for 2021.
 9. Annex 6.1 | Foreign financing ODA commitments and market borrowing with forms from 1st January to 31st December 2021 (page 116) includes the interest cost on some foreign borrowings.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year

The interest payments on outstanding debt for the budget year

Whether the debt is domestic or external

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The difference between estimates and actual net new borrowing required in the budget year is discussed on page 114 (table 6.1), and the difference between initial and actual estimates of interest payments is shown on page 121.

However, a narrative discussion is not provided for all the differences between the core elements. The Annual Report of 2021 provides the following:

1. Table 6.1 | Government Treasury Cash Flow Operations – 2021 (page 114) provides total estimated and actual debt repayment (by domestic and foreign) for the year and the total estimated and actual interest paid for the year.
2. 6.3 Government Borrowing Programme – 2021 (page 115) provides the following explanation: “Parliament approved the borrowing limit of Rs. 2,997 billion as specified in the Appropriation Act, No. 07 of 2020 and it was subsequently increased up to Rs. 3,397.0 billion for financing the resource gap in the Budget 2021. The Actual gross borrowing in 2021 was Rs. 3,376.0 billion of which Rs. 2,856.5 billion was from domestic sources and the rest of Rs. 519.5 billion, was from foreign sources”.
- A further narrative is provided through 6.4 Financing of the Budget
3. Table 6.5 Central Government Domestic Debt provides a detailed breakdown by instrument, maturity, marketability, ownership, and institution for the years 2013-2021. (pages 121-123)
4. 6.5.2. Outstanding Central Government Foreign Debt provides a narrative of the foreign debt standing by the end of the year.
5. Table 6.6 Domestic Debt Service Payments provides a breakdown of the principal and interest payments over the years 2010-2021
6. A comparison between the budgeted and actual Finance Cost is provided in the Statement of Cash Flows (page 208)
7. Current year Actual vs Budget (page 210) provides a comparison between original budget, revised budget, actual, and variance for interest payments and foreign and domestic debt repayments.
8. Note 8 under Notes to the Financial Statements (page 220) provides a comparison between the budgeted and actual domestic debt, foreign debt, and discounts on treasury bills and bonds for 2021.
9. Annex 6.1 | Foreign financing ODA commitments and market borrowing with forms from 1st January to 31st December 2021 (page 116) includes the interest cost on some foreign borrowings.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.

To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Sri Lanka at a Glance 2019-2021 provides the actual macroeconomic outcome for the years from 2019-2021. It provides the actual inflation rate, GDP growth rate, and nominal GDP.

Table 3 | Gross Domestic Product (GDP), Inflation and Exchange Rate on page 366 provides a detailed breakdown of the indicators for 2007-2021.

Policy interest rate changes are discussed under 2.4 Monetary Sector Development from pages 35-37.

For macroeconomic indicators, comparisons are done with past year values (for example, the indicators for 2021 are compared with 2020) and narratives are provided for deviances. However, deviances between macro assumptions for the fiscal year and actual outcomes are neither presented nor discussed.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

None of the above

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Sri Lanka at a Glance 2019-2021 provides the actual macroeconomic outcome for the years from 2019-2021. It provides the actual inflation rate, GDP growth rate, and nominal GDP.

Table 3 | Gross Domestic Product (GDP), Inflation and Exchange Rate on page 366 provides a detailed breakdown of the indicators for 2007-2021.

Policy interest rate changes are discussed under 2.4 Monetary Sector Development from pages 35-37.

For macroeconomic indicators, comparisons are done with past year values (for example, the indicators for 2021 are compared with 2020) and narratives are provided for deviances. However, deviances between macro assumptions for the fiscal year and actual outcomes are neither presented nor discussed.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:

Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The Annual Report 2021 provides non-financial information for inputs such as health sector physical infrastructure (public hospitals, operating theaters, dental care units, dental care units, cardiology units, medical and nursing homes etc.), education (Table 5.15 Students Benefited by Major Welfare Programs and Table 5.19 | No. of university students benefited under the financial assistance programmes), women participation (women population, employed women, women participation in the labour force, women in the public service, and unemployed women), print media (newspapers), electronic media (television services, radio services), poverty, etc., However, the report does not provide a comparison between the original non-financial data on inputs and the actual outcomes are not presented for any of the inputs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:

Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

1. Health: Mid-Year Growth of Population, Life Expectancy at Birth, Infant Mortality Rate (Per 1,000 Live Births), Maternal Mortality Rate (Per 100,000 Live Births), Crude Birth Rate (per 1,000 persons), Crude Death Rate (per 1,000 persons).
 2. Access to Basic infrastructure Electricity to Households, Pipe-borne Water (% of Population), Access to Safe Drinking Water (% of Population).
 3. Telecommunication: Fixed Access Services, Cellular Phones (No. of Subscribers), Internet and email Subscribers (Including mobile internet services).
 4. Education: Literacy Rate, Computer Literacy Rate (%)
- However, it does not provide the differences between the original estimates of nonfinancial data on results and the actual outcome.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

c. Yes, estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

Table 6.1 | Government Treasury Cash Flow Operations – 2021 (page 114) provides a comparison between estimated and actual Samurdhi payments for 2021. Samurdhi is one of the most prominent social welfare schemes to alleviate poverty in the country.

However, the Ministry of Finance Annual Report for 2021 does not provide a comparison of the enacted and actual funds utilized for all policies targeting the country's impoverished groups. The comparisons provided for such policies are either between the funds utilized last budget year and current year or the funds utilized over a multi-year period.

For example:

Table 5.14 | Expenditure on major Welfare Programs (page 105) provides actual annual expenditure for the years 2013 – 2021 for the school nutrition food program, text books, uniforms, scholarships – year 5, and "Suraksha" insurance scheme.

Table 5.15 Students Benefited by Major Welfare Programs (page 105) provides the actual outcome for the years 2013 – 2021 for the welfare programmes mentioned in Table 5.14.

Note 7 under Notes to the Financial Statements (page 219), provides the budgeted and actual amount spent on "welfare programmes" during the year 2021. However, a breakdown of these programmes is not provided.

Table 31 Welfare Payments and Development Subsidies (page 399) gives actual expenditure for the years 2007 – 2021.

Narratives such as the following are provided for some welfare programmes (page 109):

"Government expenditure on social welfare and social security amounted to Rs. 609.8 billion in 2021, a decline of 8.2 percent compared with Rs. 664.2 billion in 2020. This drop was mainly due to the fertilizer subsidy reduction emanating from shifting from inorganic to organic farming and the reduction of a cash grant of Rs. 5,000 per family to the most vulnerable and affected people by locked down from the pandemic. The controlling of outbreak of pandemic has helped save expenditure related to medical supplies in 2021. The Government has spent Rs. 5.2 billion in 2021 for Poshana Malla programme to enhance the nutrition level of pregnant women by providing Rs. 20,000 per woman. Also, expenditure on health insurance cover provided for approximately 2.25 million school children doubled in 2021. In 2021, the Government extended support for the patients affected by the chronic kidney disease of Unknown (CKDU) with the expenditure of Rs. 2.3 billion and Rs. 9.8 billion has been spent on providing financial support for the elderly aged over 100 years and 70 years."

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

GUIDELINES:

Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented

Answer:

d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The YER provides the following narrative on page 192 under 9.2 Management of Statutory Funds, Trust Funds and Departmental Funds:
"As per the recommendation of the committee appointed for the evaluation of statutory and non-statutory funds under the Budget Proposal No. 425 and 426 of 2016, the Cabinet approval has been granted to close down 13 funds of which 10 funds have been wound up by the end of 2021, subsequent to the settlement of assets and liabilities and crediting the remaining funds to the Consolidated Fund".
However, the report does not provide any comparison between the original estimates and actual outcome for any of these funds.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

GUIDELINES:

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:

a. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

Source:

Link to the Annual Report 2021 on the Ministry of Finance website:
<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The annual report 2021 provides the financial statements in Part IV: Financial Statements (pages 201-214) and Notes to the Financial Statements (pages 215-336)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- *Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with*

the applicable financial reporting and regulatory framework. See ISSAI 200 (<https://www.issai.org/pronouncements/issai-100-fundamental-principles-of-public-sector-auditing/>) for more detail.

- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) for more details.

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:

b. The SAI has conducted two of the three types of audits, and made them available to the public.

Source:

Link to the Auditor General's Annual Report 2021:

<http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Link to the Ministry of Finance Annual Report 2021:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Comment:

The Auditor General's Annual Report 2021 provides the following audits:

1. Performance and Environmental Audit conducted by the Auditor General (page 29 – 75)
2. Investigation Audit and Public Representation Audit (page 26)
3. Financial Statement of National Audit Office for the year ended 31 December 2021 (page 81 – 87)

The report of the Auditor General on the Financial Statements of the Government for the year ended 31 December 2021 (given after page 336 on the Ministry of Finance Annual Report 2021) has a section named 1.6 Non-compliance with Laws, Rules, and Regulations, etc. which lists out the laws, rules, and regulations that were observed to not have been followed during the preparation of the financial statements.

Compliance Audits are not publicly available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Comments: Generally, compliance audit findings also available in the final audit report. For example, paragraph 1.6 Non-compliances with laws, rules and regulations (a), (b), (c), (d) and (e) of the Auditor General's Report (Page No 14 -17) is available on the page number 350 - 353 of the Annual Report 2021, Ministry of Finance

Researcher Response

It's important to note that this section (1.6 Non-compliance with Laws, Rules, and Regulations) alone does not constitute a complete compliance audit report. It is a part of the report that highlights non-compliance, which is a significant aspect of what a compliance audit would cover. A full compliance audit report would typically be more extensive and include additional elements such as the audit's scope, methodology, detailed findings across various areas, and recommendations for improvement. In summary, the "Non-Compliance" section can be considered a relevant and important part of a compliance audit process, but on its own, it does not represent a complete compliance audit report.

IBP Comment

Given the arguments presented by the researcher and reviewer, and to maintain methodological consistency across countries, answer (b) is maintained.

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.

Answer:

b. Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.

Source:

Link to the Auditor General's Annual Report 2021:

<http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Link to the Ministry of Finance Annual Report 2021:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=0>

Link to the papers presented section on the Parliament website: <https://www.parliament.lk/en/business-of-parliament/papers-presented>

Comment:

Section 3(1)(a) of the National Audit Act, No. 19 of 2018, section titled 'Scope of audit in relation to auditee entity' states that, "The Auditor-General shall- audit all income received to the Consolidated Fund and all expenditure from the Consolidated Fund;"

The Annual Report of the Auditor General does not contain all information on the audits carried out on the spending agencies (ministries and departments) and does not qualify in itself as an Audit Report according to OBS guidelines. However, the individual audits carried out on the spending agencies and the Annual Report together is evidence of all government expenditures within the SAI's mandate have been audited. These individual reports can be found on the Auditor General's website and the Papers Presented section of the Parliament website. The combination of the annual report and the individual audits qualify as a full publication of the audit report of the financial statements of the government.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.

Answer:

c. Extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

Source:

Link to the Auditor General's Annual Report 2021:

<http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Link to the Ministry of Finance Annual Report 2021:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Link to the National Audit Act, No.19 of 2018:

http://naosl.gov.lk/web/images/public_news_agdsl/2018_news/Natinal_Audit_Act/Nationa-Audot-Act_E.pdf

Link to the financial audit of the Teachers' Widows' and Orphans' Pension Fund – 2021:

<http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/2021/funds/3-iv/Teachers-Widows-and-Orphans-Pension-Fund-E.pdf>

Link to the financial audit of the Public Service Provident Fund - 2021:

<http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/2021/funds/3-viii/Public-Service-Provident-Fund-E.pdf>

Link to the audit reports for funds in 2021

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?keywords=fund&years=13&task=pdfdoc&limitstart=0>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=0>

Comment:

The National Audit Act, No. 19 of 2018 states the following:

1. Section 3 (1) of the Act under Scope of Audits Carried out by the Auditor General states that "The scope of an audit carried out by the Auditor General includes examining the accounts, finances, financial position and prudent management of public finance and properties of auditee entities.
2. Section 55 of the Act states that an "auditee entity" includes "public corporations and statutory Funds or Boards."
3. Section 18 (1) states that the Auditor General is allowed to "charge a fee for conducting an audit from the following auditee entities: –(a) public corporations and statutory Funds or Boards".
The above evidence proves that the Auditor General is mandated to audit Statutory Funds of the government.

According to the Ministry of Finance Annual Report 2021, "As per the recommendation of the committee appointed for the evaluation of statutory and non-statutory funds under the Budget Proposal No. 425 and 426 of 2016, the Cabinet approval has been granted to close down 13 funds of which 10 funds have been wound up by the end of 2021, subsequent to the settlement of assets and liabilities and crediting the remaining funds to the Consolidated Fund". However, the number of Statutory and Non-Statutory Funds, that operate outside the boundaries of the Consolidated fund by various government institutions is not given in 2021 report but it was mentioned in 2019 report as 210.

Under Statutory & Other Funds in the Statement of Financial Position (page 207), the Consolidated Fund, Contingency Fund, Foreign Loan Revolving Funds, and Miscellaneous Funds are mentioned.

Under Miscellaneous Funds (Note 25, page 2), the Public Service Provident Fund Account and Teachers' Widows & Orphans Pension Fund are mentioned. The financial audits for the above two funds for 2021 can be found on the Auditor General's website.

Further, the Auditor General has published audit reports for 66 funds in 2021 outside of the Consolidated Fund. There is no way to quantify the value of all extrabudgetary funds so 66/210 (the number of funds as per the Ministry of Finance Annual Report 2019) is a proxy for saying less than 2/3 of funds under the purview of the Auditor General.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

GUIDELINES:

Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.

To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.

Answer:

b. No, the annual Audit Report(s) does not include an executive summary.

Source:

Link to the Auditor General's Annual Report 2021:

<http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Link to the Ministry of Finance Annual Report 2021:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=0>

Link to the papers presented section on the Parliament website: <https://www.parliament.lk/en/business-of-parliament/papers-presented>

Comment:

The Report of the Auditor General given in the 2021 Annual Report of the Ministry of Finance does not have an executive summary. The Annual Report of the Auditor General does not contain all information on the audits carried out on the spending agencies (ministries and departments) and does not qualify in itself as an Audit Report according to OBS guidelines. However, the individual audits carried out on the spending agencies and the Annual Report together is evidence of all government expenditures within the SAI's mandate have been audited. These individual reports can be found on the Auditor General's website and the Papers Presented section of the Parliament website. The combination of the annual report and the individual audits qualify as a full publication of the audit report of the financial statements of the government. However, none of these reports contain an executive summary.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

GUIDELINES:

Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

Answer:

d. No, the executive does not report on steps it has taken to address audit findings.

Source:

Link to the Performance Report of the Ministry of Finance, Economy and Policy Development for the year 2019:

<https://www.parliament.lk/uploads/documents/paperspresented/performance-report-ministry-of-finance-economy-policy-development-2019-head-102.pdf>

Comment:

The Ministry of Finance has not published a report on the steps taken to address audit findings. The Performance Report of the Ministry of Finance, Economic Stabilization and National Policies for the year 2019 does have a compliance report (Chapter 07, page 24) that mentions if the Ministry has complied or not with certain things such as the audit queries (page 26), internal audit (page 26), and Audit and Management Committee (page 27). This compliance section is generally included in the annual performance reports of ministries and departments. However, this report is not available for the year 2021 yet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: b. Yes, the executive reports publicly on most audit findings.

Comments: Committee reports on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action are published on <https://www.parliament.lk/en/business-of-parliament/committees/committee-reports>

Researcher Response

The question specifically relates to the role of the executive branch, particularly the Ministry of Finance, in reporting the measures implemented following recommendations or findings from Audit Reports. However, the response provided by the government reviewer references reports from parliamentary committees, which do not directly address the Ministry of Finance's specific responsibilities and actions in this context.

IBP Comment

The comments are well received. The question requires evidence of reports produced and made available by the executive branch of government on steps it has taken to address audit recommendations or findings that indicate a need for remedial action. Reports published by the legislative cannot be considered for this question and therefore, answer (d) is maintained.

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?**GUIDELINES:**

Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.

To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.

Answer:

d. No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.

Source:

Link to the Auditor General's Annual Report 2021:

<http://www.auditorgeneral.gov.lk/web/images/audit-reports/upload/annual/2021/Annual-Report-of-the-Auditor-General-2021-English.pdf>

Link to the Ministry of Finance Annual Report 2021:

<https://www.treasury.gov.lk/api/file/a7a35d1a-556f-49b2-81e0-20294eb5a519>

Links to all individual audit reports by the Auditor General's department for 2021:

<http://www.auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?years=13&task=pdfdoc&limitstart=0>

Link to the papers presented section on the Parliament website: <https://www.parliament.lk/en/business-of-parliament/papers-presented>

Comment:

There is no report that is publicly available that tracks action taken by the executive to address audit recommendations. However, the Auditor General's reports include paragraphs on unresolved audit findings highlighted in the previous years.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the SAI or legislature reports publicly on most audit recommendations.

Comments: Committee reports that tracks actions taken by the executive to address audit recommendations are published on <https://www.parliament.lk/en/business-of-parliament/committees/committee-reports>

Researcher Response

The researcher was unable to locate any reports from parliamentary committees (specifically COPF or COPA) that detail actions undertaken by the Ministry of Finance (executive branch) in response to audit recommendations. Consequently, the answer remains as option 'd'.

IBP Comment

The comments are well received. However, after reviewing the sources again, no reports from committees were found during the research period that track actions taken by the executive to address audit recommendations. Under these circumstances, answer (d) is maintained.

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

GUIDELINES:

Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance"; and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:

- *Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.qob.mx/>); or*
- *Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcfp.fr/>).*

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a," "b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:

d. No, there is no IFI.

Source:

Response from the Secretary of Committee on Public Finance (COPF),

Standing Order 121. Available at: <https://www.parliament.lk/files/pdf/standing-orders-en.pdf>

Comment:

There is no independent fiscal institution that conducts a budget analysis for the budget formulation. The Parliament has established a Committee on Public Finance (COPF), a legislative committee that has the mandate to question public finance activities of the executive and release documents when necessary. (Standing Order 121, <https://www.parliament.lk/files/pdf/standing-orders-en.pdf>). Since COPF is a legislative committee with a focus on budget implementation, which also lacks the resources to carry out the tasks of a fully-fledged IFI, it cannot be considered an IFI. However, the Secretary of Committee on Public Finance (COPF) confirmed that steps are being taken to set up a Parliamentary Budget Office (PBO) which shall be an independent body accountable to Parliament. (<https://www.ft.lk/front-page/Govt-gazettes-Parliamentary-Budget-Office-Bill/44-748330>).

Peer Reviewer

Opinion: Agree

Comments: this is correct but please note that Sri Lanka has recently enacted a Parliamentary Budget Office Act (passed in June 2023) . For the future surveys, this needs to be assessed.

Government Reviewer

Opinion: Agree

Comments: At the time of preparing 2023 budget such independent body was not available. However, action has already been taken to establish Parliamentary Budget Office (PBO) which shall be an independent body accountable to Parliament by PARLIAMENTARY BUDGET OFFICE ACT, No. 6 OF 2023 (<https://www.parliament.lk/uploads/acts/gbills/english/6298.pdf>)

IBP Comment

the comments received by the reviewers are well received with thanks. This information will be assessed appropriately in the next opportunity.

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?**GUIDELINES:**

Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

Answer:

d. No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

Source:

N/A

Comment:

Please Refer the comment on question 103.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:

Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:

Link to the report of the Committee on Public Finance of the Appropriation Bill for the financial year 2022:

<https://www.parliament.lk/uploads/comreports/1639389424027520.pdf>
(<https://www.parliament.lk/uploads/comreports/1639389424027520.pdf>)

Comment:

Though Sri Lanka does not have an IFI, the Committee on Public Finance (COPF) has released its analysis on fiscal, financial and economic assumptions used as the basis in arriving at total estimated expenditure and revenue of the budget and was presented to Parliament most recently on the 07th of December 2021.

Note: Due to a technical glitch in the parliament website, COPF budget analysis 2023 report is not accessible to the public yet. However, upon request we were able to receive the document via email from parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:

d. Never, or there is no IFI.

Source:

Report of the Committee on Public Finance of the Appropriation Bill for the financial year 2022:
<https://www.parliament.lk/uploads/comreports/1639389424027520.pdf>

Comment:

Please Refer the comment on question 103. Though Sri Lanka does not have an IFI, the Committee on Public Finance (COPF) has released its analysis on fiscal, financial and economic assumptions used as the basis in arriving at total estimated expenditure and revenue of the budget and was presented to Parliament on the 21st of November 2020.

Note: Due to a technical glitch in the parliament website, "Report of the Committee on Public Finance on Appropriation Bill for the financial year 2023 in terms of the Standing Order 121(5) (ii) of Parliament" is not accessible to the public yet. However, upon request we were able to receive the document via email from parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

GUIDELINES:

Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)

A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.

To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.

Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.

Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the

tabling of the Executive's Budget Proposal.

In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).

Answer:

d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

Source:

Responses received from the Secretary of COPF and the team.

Comment:

The Secretary of the COPF and the team confirmed that a parliamentary committee does not debate the budget prior to tabling EBPs in the Parliament. They further mentioned that the Executive's Budget Proposals are examined by the Committee on Public Finance (COPF) prior to the Committee Stage at Parliament. The COPF examines the estimates drafted by the Ministry of Finance and all the Bills related to Finance.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.

Comments: Draft Appropriation Bill and Draft Budget Call Circular have been submitted to Cabinet of Minister for approval before tabling the Appropriation Bill in Parliament. Cabinet of Ministers is considered as legislative committee as per the Article 42(1) of the Constitution of Sri Lanka. Therefore, legislative committee has sufficient time and opportunity to debate budget policy prior to the tabling of the Executive's Budget Proposal.

Researcher Response

As indicated in Chapter X of the Sri Lankan Constitution, the Legislature encompasses the Parliament. The Cabinet of Ministers, appointed under section 44(1) of the Constitution, is part of the Executive body and not classified under the Legislature. While Members of Parliament can serve as Cabinet Ministers, the Cabinet alone does not constitute a legislative committee. It's crucial to recognize the distinction—the Cabinet of Ministers operates within the Executive body, separate from the legislative domain. Legislative committees are established within the Parliament by its members. Even though the Cabinet discusses bills before their presentation to Parliament, they don't engage in debates.

IBP Comment

The comments are well received. This question asks specifically if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal. Chapter VIII (The Executive - The Cabinet of Ministers), from Sri Lanka's constitution clearly states that the President shall be a member of the Cabinet of Ministers and shall be the Head of the Cabinet of Minister and therefore, an executive-led body and not a legislative committee. To maintain the necessary methodological consistency across countries, answer (d) is maintained.

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

GUIDELINES:

Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).

For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.

To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.

Answer:

b. The legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year.

Source:

Appropriation Bill for 2023: <https://www.parliament.lk/uploads/bills/gbills/english/6281.pdf>

Budget Speech 2023: <https://www.treasury.gov.lk/api/file/192322fd-7967-49d8-ad59-6046470d68c8>

Fiscal Management Report 2023: <https://www.treasury.gov.lk/api/file/f3256b98-539f-4645-85a6-6fe50a7a865f>

Comment:

The EBP is submitted to legislature on 18/10/2022.

For FY2023, the Appropriation Bill 2023 was presented to the Parliament on 18th October 2022; the Budget Estimates (Draft) 2023 was presented to the Parliament on 14th November 2022; the Budget Speech 2023 was presented to the Parliament on 14th November 2022; and the Fiscal Management Report 2023 was presented to the Parliament on 14th November 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

109. When does the legislature approve the Executive's Budget Proposal?

GUIDELINES:

Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

Source:

Link to parliamentary confirmation of the approval of the budget: <https://www.parliament.lk/en/budget-2023/third-reading-division>

Comment:

The third reading of the Appropriation Bill for 2023 was passed by the legislature on 08/12/2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:

The Constitution of the Democratic Socialist Republic of Sri Lanka (Revised Edition 2023): <http://www.parliament.lk/files/pdf/constitution.pdf>

Standing Orders of the Parliament of the Democratic Socialist Republic of Sri Lanka: <https://www.parliament.lk/files/pdf/standing-orders-en.pdf>

Comment:

Chapter XVII – Finance, Article 148 of the Constitution of Sri Lanka gives the Parliament the full control over public finance. It states that authority to pass laws and amend laws rests with the Parliament. The Standing Order No 130 outlines the protocol and the guidelines to follow to amend the Appropriation Bill (EPBs).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments

affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:

a. Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.

Source:

Hansard Volume 299 – No 03: Parliamentary Debates – Official Report on the 08th of December 2022 (Hansard on the date of the third and final reading of the budget):

<https://www.parliament.lk/uploads/documents/hansard/1674703498092487.pdf>

Appropriation bill, fiscal year 2023– Amendments in committee:

<https://www.parliament.lk/files/pdf/budget/2023/amendments-in-committee-en.pdf>

Comment:

As per the Hansard Volume 299 – No 03, (Column 631 onward), several amendments took place during the committee stage of the budget discussion to the proposals published in the EBPs and presented in the budget speech. The Hansard on the 08th of December 2022 includes the amendments finalized during the committee stages.

E.g.: Head 237.- Department of national planning Programme 01.- Operational Activities - Recurrent Expenditure, Rs. 8,146,830,000. Question, "That the sum of Rs. 8,146,830,000, for Head 237, Programme 01, Recurrent Expenditure, be inserted in the Schedule" put and agreed to.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

GUIDELINES:

Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.

Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.

Answer:

b. Yes, a specialized budget or finance committee had less than one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

Source:

Link to the report of the Committee on Public Finance of the Appropriation Bill for the financial year 2022:

<https://www.parliament.lk/uploads/comreports/1639389424027520.pdf>

(<https://www.parliament.lk/uploads/comreports/1639389424027520.pdf>)

Note: Report of the Committee on Public Finance of the Appropriation Bill for the financial year 2022 has been submitted to the parliament and at the time the report was tabled in the parliament, it was available on the website and accessible to the public as well. The report has been unreachable only for the for the past few weeks due to a technical error in the system. Moreover, we were able to get the pdfs upon request from the parliament. Hence, answer b) is applicable to this question.

Comment:

Though Sri Lanka does not have an IFI, the Committee on Public Finance (COPF) has released its analysis on fiscal, financial and economic assumptions used as the basis in arriving at total estimated expenditure and revenue of the budget and was presented to Parliament most recently on the 07th of December 2021.

Note: Report of the Committee on Public Finance of the Appropriation Bill for the financial year 2022 has been submitted to the parliament and at the time the report was tabled in the parliament, it was available on the website and accessible to the public as well. The report has been unreachable only for the for the past few weeks due to a technical error in the system. Moreover, we were able to get the pdfs upon request from the parliament. Hence, answer b) is applicable to this question.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:

Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.

Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.

Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.

For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.

Answer:

d. No, sector committees did not examine the Executive's Budget Proposal.

Source:

Responses received from the Secretary of COPF and the team.

Comment:

Legislative committees responsible for sectors did not examine the spending of the EBP based on the response received by the Secretary of COPF and the team.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

GUIDELINES:

Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:

d. No, a committee did not examine in-year implementation.

Source:

Link to COPA Reports:

https://www.parliament.lk/en/business-of-parliament/committees/committee-reports?type=committee&category=3&committee=8&search_status=1

Comment:

The Committee on Public Accounts (COPA) is the parliamentary committee that examines the accounts on parliamentary grants through the budget to meet the public expenditure. COPA looks into the accounting and administrative sections of all state institutions. The Committee on Public Finance (COPF) tracks budget finances. However, the purpose of the report is not to inspect the operationalisation of the EB. COPA examines post implementation of the budget not in-year implementation.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, a committee examined in-year implementation on one or more occasion (but less than three times), and it published a report with findings and recommendations.

Comments: Committee reports are available in <https://nationalcouncil.parliament.lk/dashbord.php?lang=E>

IBP Comment

The comments are well received with thanks. This question asks specifically if a committee of the legislature examines in-year implementation of the Enacted Budget during the relevant budget execution period. Upon reviewing the sources provided, it can be concluded that the COPA report indeed examines ex-post implementation in line with the researcher's comment. Since no COPA reports have been found on the website about in-year implementation of the budget, answer (d) is maintained.

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?**GUIDELINES:**

Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.

In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.

The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.

In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.

Answer:

a. The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, and it does so in practice.

Source:

Response from the Director of the National Budget Department,

The Constitution of the Democratic Socialist Republic of Sri Lanka (Revised edition 2023): <http://www.parliament.lk/files/pdf/constitution.pdf>

Financial Regulations of the Government of the Democratic Socialist Republic of Sri Lanka:
<https://www.treasury.gov.lk/api/file/88bd6063-fe94-40b7-aa3d-d83196eb7f92>

Comment:

The executive is unable to shift funds between administrative units that received funding from the enacted budget without approval from legislature as per the Constitution of the Democratic Socialist Republic of Sri Lanka. This was also confirmed by the Director General of the National Budget Department. The financial regulations of 1992 has the force of law in Sri Lanka. As a result, expenditure increase within an administrative unit does not require legislature approval. Financial Regulation No. 65,66,67 provide guidelines that can be followed without legislature approval when shifting funds or increasing expenditure within an administrative unit. Financial Regulation No. 72 provides guidance on approval of increased cost estimates of projects. Depending on the percentage increase of total cost estimate, the Head of Department, Chief Accounting Officer who is a Secretary to a Minister, Secretary to the Treasury or Deputy Secretary to the Treasury, or Minister of Finance can approve this cost. If the cost exceeds LKR 2,500,000, the approval of Cabinet is required.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these “new” funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive’s discretion, with no legislative control.

To answer “a,” the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer “b” applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer “c” applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer “d” applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A “d” response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

Source:

Response from the Director of the National Budget Department,

The Constitution of the Democratic Socialist Republic of Sri Lanka (Revised edition 2023): <http://www.parliament.lk/files/pdf/constitution.pdf>

Comment:

Response received from the Director General of the National Budget Department stated that the Executive is required to obtain approval from legislature prior to spending excess revenue as per the Constitution of Sri Lanka.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive’s discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental

budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:

c. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below enacted levels, but in practice the executive implements these cuts before seeking approval from the legislature.

Source:

Response from the Director of the National Budget Department,
The Constitution of the Democratic Socialist Republic of Sri Lanka (Revised edition 2023): <http://www.parliament.lk/files/pdf/constitution.pdf>

Comment:

The Constitution has not specifically indicated the procedure to adopt when reducing spendings below the approved levels due to a revenue shortfall. It requires the Minister of Finance to operate within the said limits of the law when reducing spending below the enacted levels. The Parliament is given the power to authorize any withdrawal of revenue from the Consolidated Fund from the Constitution (Article 148-150). However, the Constitution doesn't specify the authority/role of Parliament (Legislature) and executive (MOF) in reducing the enacted spendings due to revenue shortfalls.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

Comments: Minister of Finance has been authorized to reduce spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period by the section 7 of Appropriation Act No 43 of 2022 before seeking approval from the legislature.

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:

c. Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.

Source:

Response of the Senior Assistant Auditor General,

Link to information on authority of Committee on Public Enterprises (COPE):

<https://www.parliament.lk/component/committees/committee/showCommittee?id=9&type=committee&Itemid=106&lang=en>

Link to COPE Reports:

<https://www.parliament.lk/en/business-of-parliament/committees/committee-reports?type=committeeh>

Link to information on authority of Committee on Public Accounts (COPA):

<https://www.parliament.lk/component/committees/committee/showCommittee?id=8&lang=en>

Link to COPA reports:

<https://www.parliament.lk/en/business-of-parliament/committees/committee-reports?type=committee>

Comment:

COPE and COPA are the two Parliamentary committees which examine the Audit Report prepared by the SAI on the annual budget process. The Secretary of the COPE during an interview conducted in 2019 stated that once the report is tabled in the Parliament, they can start their examinations. The Senior Assistant Auditor General confirmed that the report is discussed within the COPA committee. The Parliamentary website (www.parliament.lk) indicates that the duty of COPE is to examine the accounts of all Public Enterprises. As per the website, COPE has the authority to "summon before them and question any person, call for and examine any paper, book, record or other documents and to have access to stores and property". Further, the committee conducts investigation based on the audited accounts by the Auditor General. The recommendations are presented to Parliament and directed to the respective public enterprise for due compliance. COPA examines "the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure". Further, they examine the enacted sums along with the Audit reports. The audit report is prepared according to administrative heads and the COPE and COPA examine the areas and administrative units under their mandate.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?**GUIDELINES:**

Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:

b. No, the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Source:

Response received from the Assistant Auditor general.

The 22nd Amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka:

<https://www.parliament.lk/files/pdf/constitution/amendment-proposals/2022/independent-group-proposal-en.pdf>

Comment:

Article 153 of the Constitution of the Democratic Socialist Republic of Sri Lanka was amended following the 22nd Amendment to the Constitution. As a result, the head of the SAI (the Auditor General) is appointed by the President on the recommendation of the Constitutional Council. However Constitutional Council is not a legislative body, but instead a council that includes appointments from both the President and the Parliament. Since this does not qualify as a legislative approval of the appointment, answer b. has been selected.

Prior to this the head of the SAI (the Auditor General) is appointed by the Executive, who may seek the observations of the Parliamentary Council comprising the Speaker and 4 other members of Parliament but is not legally bound to comply with such observations. The Senior Assistant Auditor General confirmed that most of the time a very senior officer gets appointed for the post. Recommendation from the constitution council is taken before selecting the head however the head is appointed by the President of the country without any other influence.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

GUIDELINES:

Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.

To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

Answer:

a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.

Source:

Link to the Constitution of the Democratic Socialist Republic of Sri Lanka (Revised Edition 2023) CHAPTER XVII – Finance, Article 153 (e):
<http://www.parliament.lk/files/pdf/constitution.pdf>

Link to Standing Order of the Parliament of the Democratic Socialist Republic of Sri Lanka. Standing Order No. 84 and 85(page 33,34):
<https://www.parliament.lk/files/pdf/standing-orders-en.pdf>

Comment:

Article 153 (3) states the instance in which the President can re-appoint or remove the Auditor General upon an address of the Parliament (legislature). Standing Order 84 and 85 on Removal of Certain Persons upon Substantive Motion states that Parliament has to pass a resolution to enable the removal of the SAI.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:

a. The SAI determines its own budget (i.e., submits it to the executive, which accepts it with little or no change, or directly to the legislature), or the budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

Response received from the Senior Assistant Auditor General,

The National Audit Act, No.19 of 2018. Available at: https://www.srilankalaw.lk/gazette/2018_pdf/19-2018_E.pdf

Comment:

According to the Section 34 of the National Audit Act, No.19 of 2018, the National Audit Commission prepares the annual budget estimates of the National Audit Office of Sri Lanka and sends it to the Speaker of Parliament. The said estimates are tabled in Parliament for review with the observations of the Minister of Finance who provides his observations to the speaker within 10 working days from its receipt from the Speaker. After the Parliament has reviewed the estimates, they are forwarded to the Minister of Finance for incorporation into the national budget of the country with such modifications, if any, as the Parliament thinks fit. The Senior Assistant Auditor General confirmed the same.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

GUIDELINES:

Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra-budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:

a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:

Link to the National Audit Act No. 19 of 2018 of Parliament of the Democratic Socialist Republic of Sri Lanka:
https://www.srilankalaw.lk/gazette/2018_pdf/19-2018_E.pdf

Link to the Constitution of the Democratic Socialist Republic of Sri Lanka (Revised Edition 2023) CHAPTER XVII – Finance:
<http://www.parliament.lk/files/pdf/constitution.pdf>

Comment:

The National Audit Act No. 19 of 2018 (page 39) defines "auditee entity" which includes 'Offices of the Cabinet of Ministers, all Departments of the Government, the Presidential Secretariat, Office of the Secretary to the Prime Minister, the Judicial Service Commission, the Constitutional Council, the Commissions referred to in the schedule to Article 41B of the Constitution and the Special Presidential Commission of Inquiry established under the special Presidential Commissions of Inquiry (Special Provisions) Act, No. 4 of 1978, the Parliamentary Commissioner for Administration, the Office of the Secretary General of Parliament, Provincial Councils and local authorities, public corporations and statutory Funds or boards, businesses and other undertakings vested in the Government by or under any written law, any company registered or deemed to be registered under the Companies Act, No. 07 of 2007 in which the Government or a public Corporation or local authority holds fifty per centum or more of the shares of that company.

Article 154 of the Constitution states the duties and the functions of the Auditor General. Further it elaborates that "the Auditor-General shall audit all departments of the Government, the Office of the Secretary to the President, the Office of the Secretary to the Prime Minister, the Offices of the Cabinet of Ministers, the Judicial Services Commission, the Constitutional Council, the Commissions referred to in the Schedule to Article 41B, the Parliamentary Commissioner for Administration, the Secretary-General of Parliament, local authorities, public corporations, business and other undertakings vested in the Government under any written law and companies registered or deemed to be registered under the Companies Act, No. 7 of 2007 in which the Government or a public corporation or local authority holds fifty per centum or more of the shares of that company including the accounts thereof."

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:

Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:

b. Yes, an independent agency conducts and publishes a review of the audit processes of the SAI at least once in the past five years, but not

annually.

Source:

Response of the Senior Assistant Auditor General,

Link to the National Audit Act No. 19 of 2018 of Parliament of the Democratic Socialist Republic of Sri Lanka:

https://www.srilankalaw.lk/gazette/2018_pdf/19-2018_E.pdf

SAI Performance Report- Auditor General's Department of the Republic of Sri Lanka. Final 27 June 2018. Available at:

<https://www.idi.no/elibrary/well-governed-sais/sai-pmf/996-sai-pmf-sri-lanka/file>

INTOSAI Development Initiative:

<https://www.idi.no/news/well-governed-sais/sai-pmf/sai-of-sri-lanka-publishe-their-sai-pmf-report>

Comment:

The Parliament is required to appoint an independent auditor to carry out the audit of the financial statements, accounts and other information relating to the financial year of the Audit Office under the Section 36(1) of the National Audit Act, No. 19 of 2018. Based on the response received from the Senior Assistant Auditor General, it is clear that independent audits and reviews of the National Audit Office do take place, however, not annually by peer groups of other SAIs.

An independent review of the audit practices of the National Audit Office was undertaken by auditors appointed by the International Development Initiatives (IDI) of the International Organisation of Supreme Audit Institutions (INTOSAI) in 2017 under the Supreme Audit Institutions Performance Measurement Framework (SAI PMF).

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.

Answer:

a. Frequently (i.e., five times or more).

Source:

Response of the Senior Assistant Auditor General.

Third Report of the Committee on Public Accounts Available at: <https://www.parliament.lk/uploads/comreports/1633584378064620.pdf#page=1>

Committee on Public Accounts. Available at: <https://www.parliament.lk/component/committees/committee/showCommittee?id=%20&lang=en&~:text=This%20is%20one%20of%20the,to%20meet%20the%20public%20expenditure.>

Links for meeting minutes:

1- <https://www.parliament.lk/en/news-en/view/2921>

2- <https://www.parliament.lk/en/news-en/view/2921>

Comment:

The Third Report of the Committee on Public Accounts for the financial year 2019 presented on 7th October 2021 states shortcomings in specified expenditure units of the Government, Ministries, Departments, District Secretariats, Provincial Councils, specified expenditure units of the Provincial Councils, Ministries, and Departments, Institutions established by Provincial Council statutes, Municipal Councils, Urban Councils and Pradeshiya Sabhas. The report also includes inquiries made to the Auditor General & responses received with regards to these shortcomings.

The duty of the Committee on Public Accounts (COPA) is to examine the accounts, with the assistance of the Auditor General, showing the appropriation of the sums granted by Parliament. The Senior Assistant Auditor General confirmed that they meet COPA and COPE committees as well as the finance committee frequently. Minutes of the meetings are available on the parliament website.

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning .

To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a “c” response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a “c” response.

Answer “d” applies if the requirements for a “c” response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a “c” response or above are not met.

Source:

Response from the Director General of the National Budget Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Comment:

The budget process usually does involve citizen participation programmes, the Ministry of Finance does advertise on the newspaper for calls for feedback and input from the public regarding the formulation of the budget but for 2023 budget, this advertisement was not published. However, Director General of the National Budget Department (NBD) confirmed that they received plenty of letters from various individuals and organizations for 2023 budget directly to the department via post and those input is then summarized and considered when formulating the annual budget 2023. Additionally, the Ceylon Chamber of Commerce (CCC) confirmed that they also submitted proposals from their members to the Ministry of Finance for 2023 budget. Members are given 03 weeks to send in proposals, and the CCC evaluates these proposals within 02 weeks and then submits them to the Ministry of Finance.

However, the Director General of NBD further stated that, the budget for 2023 was already had a given structure in line with the IMF program and had limited space for citizens’ proposals, though the inputs from citizens considered to some extent through the proposals they received for the budget 2023.

However, receiving unanticipated inputs does not constitute a public participation mechanism because it does not refer to the actual government effort to collect views from the public, hence answer d) has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of “Inclusiveness”, and examines the executive’s effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive’s efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer “a,” the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government’s efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.

Answer “b” applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

b. The requirements for an “a” response are not met.

Source:

Response from the Director General of the National Budget Department

Comment:

The budget process usually does involve citizen participation programmes, the Ministry of Finance does advertise on the newspaper for calls for feedback and input from the public regarding the formulation of the budget but for 2023 budget, this advertisement was not published. However, Director General of the National Budget Department (NBD) confirmed that they received plenty of letters from various individuals and organizations for 2023 budget directly to the department via post and those input is then summarized and considered when formulating the annual budget 2023. Additionally, the Ceylon Chamber of Commerce (CCC) confirmed that they also submitted proposals from their members to the Ministry of Finance for 2023 budget. Members are given 03 weeks to send in proposals, and the CCC evaluates these proposals within 02 weeks and then submits them to the Ministry of Finance.

However, the Director General of NBD further stated that, the budget for 2023 was already had a given structure in line with the IMF program and had limited space for citizens' proposals, though the inputs from citizens considered to some extent through the proposals they received for the budget 2023.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Director General of the National Budget Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Comment:

The Ministry of Finance received input directly from the public via post regarding the formulation of the budget. This input is then summarized and considered when formulating the annual budget. The Director General of the National Budget Department (NDB) stated that most of the time they

receive inputs on public investment projects, public services, social spending policies, however these proposals can cover any topic and are not limited to specific areas or issues. The Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce confirmed during the interview that, they usually focus on all 6 topics when they request proposals from their members, and they did the same for 2023 budget as well. However, since there are no supporting documents available online to prove above mentioned statements, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics.

IBP Comment

the comment from the government reviewer is well received. However, it is not clear to which engagement during the budget formulation stage, the reviewer is referring to since no participation mechanism was identified in the previous questions. Therefore, the answer to this question must be maintained (d)

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) *The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.*

and/or

2) *The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the*

selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Director General of the National Budget Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Comment:

The Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce stated that, compared to previous year, they are more invited to provide input in terms of the budget implementation process this year. For instance, in terms of the land related proposals, President and MoF brought in all the land related institutions and asked about the progress and whether the institutions are satisfied with the progress of the budget proposals. These meetings happened in the presidential secretariat and the President sat in these meetings as well.

However, no source document can be found online as a verification of this statement and hence, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.

Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Response from the Director General of the National Budget Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Link to the circular on purchase of paddy from Presidential Secretariat: <https://www.presidentsoffice.gov.lk/index.php/2023/02/14/treasury-issues->

circular-on-purchase-of-paddy/#:~:text=The%20objective%20of%20the%20paddy,by%20the%20ongoing%20economic%20challenges.

Link to newspaper articles on paddy purchase:
<https://www.themorning.lk/articles/ZFVCAA2oaVyQE9by36IV>

Comment:

The Director General of National Budget Department (NDB) stated that, during the implementation stage of the budget 2023, they considered farmers demand on paddy purchasing and government introduced a new program in February 2023 to purchase paddy from farmers which was not previously included in the 2023 budget. The main objective of this program to offer farmers a fair price for their paddy harvest in the 2022/2023 Maha season, procure any surplus paddy, and provide aid to low-income households affected by the ongoing economic challenges.

The Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce stated that, compared to previous year, they are more invited to provide input in terms of the budget implementation process this year. For instance, in terms of the land related proposals, President and MoF bring in all the institutions and ask about the progress and whether the institutions are satisfied with the progress of it. These meetings happened in the presidential secretariat and the President sits in these meetings as well. However, no supporting documents could be found online to prove this statement.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

- 1. Changes in macroeconomic circumstances**
- 2. Delivery of public services**
- 3. Collection of revenue**
- 4. Implementation of social spending**
- 5. Changes in deficit and debt levels**
- 6. Implementation of public investment projects**

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Director General of the National Budget, Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Comment:

The Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce stated that, compared to previous year, they are more invited to provide input in terms of the budget implementation process this year. He confirmed that since he takes part of these meetings from their institution, he can ensure that all of above-mentioned topics are covered during the meetings. However, no source document can be found online as a verification of this statement and hence, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics.

IBP Comment

The comment from the government reviewer is well received with thanks. However, no participation mechanism was identified in question 128 (public participation mechanisms during the budget implementation stage implemented by the executive). Therefore, the selected answer (d) must be maintained.

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

- 1. Purpose**
- 2. Scope**
- 3. Constraints**
- 4. Intended outcomes**
- 5. Process and timeline**

GUIDELINES:

This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Director General of the National Budget Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Comment:

The Director General of Department of National Budget, Coordinator of the Citizen's Engagement Programme, Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce confirmed that the Ministry of Finance seeks inputs from all stakeholders only at the stage of budget formulation and the implementation stage. The Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce stated that, compared to previous year, they are more invited to provide input in terms of the budget implementation process this year. He further confirmed that all of above-mentioned information is provided with the public in a timely manner. However, no source document can be found online as a verification of this statement and hence, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Director General of the National Budget Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Comment:

No feedback is provided to the public on how citizen's input has been used in the formulation of the budget. However, if they look at the budget speech, they can identify if their input has been used.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are taken into account to improve budget monitoring, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs received (e.g., a written transcript) from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Director General of the National Budget Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Comment:

Public is not provided with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

GUIDELINES:

This question reflects the GIFT principles on "Sustainability," "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Response from the Director General of the National Budget Department

Comment:

The Director General of the Department of the National Budget stated that participation mechanisms are included in the timeline of the Department of the National Budget, and it is included in the timeline of the Ministry of Finance as well. However, no source document can be found online as a verification of this statement and hence, answer b. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES

While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on “Inclusiveness” and “Timeliness” and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of “involvement” (option “a” in the responses) and “consultation” (option “b”). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

To answer “a,” a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.

Answer “b” applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer “c” applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options “a” and “b” apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice “c”, there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a “c” response.

Examples of mechanisms that might qualify as a “c” response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

Answer:

c. Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Source:

Response from the Director of the National Budget Department and the Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce

Comment:

The Ministry of Industry and Commerce works with the private sector to help submit proposals during the formulation of the budget. The Ceylon Chamber of Commerce confirmed that some proposals are submitted to the Ministry of Finance and some to the Ministry of Industries and Commerce, which is a line ministry. The Staff of the Economic Intelligence Unit of the CCC also confirmed that the Ministry of Industry and Commerce usually sends out a form to be filled in by private sector companies, in relation to changes or allocations that would need to be proposed during the budget formulation period and they did the same for 2023 budget as well. However, there are limitations, as this form limits the information that can be addressed since it follows a specific format. This process does begin mid-year and therefore provides companies with time to submit information and requests. The Director of the National Budget Department confirmed that the Ministry of Industry and Commerce has its own mechanisms to gain information during the budget process. The Director General of NBD also confirmed that the line ministries reach out to the public to get their inputs for the budget formulation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).

To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*
- *The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Secretary of Committee of Public finance and the team, Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce and Director General of the National Budget Department

Comment:

The Director General of NDB stated that Parliament is open to everyone, and anyone can give their suggestions during the meetings, but he did not confirm if there were any formal hearings took place to get inputs from the public for budget 2023. However, the Secretary of Committee of Public

Finance and the team confirmed that, they did not conduct any public hearings under the current chairmanship for 2023 but they did this kind of hearings in the previous Chairmanship, and this component usually depends on the chairmanships. Staff of the Economic Intelligence Unit of the Ceylon Chamber stated that they were requested by some of the committees in the parliament for input but not from COPA and COPE. However, no source document can be found online as a verification of this statement and hence, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, public hearings on the budget are held. No testimony from the public is provided during the public hearings, but contributions from the public are received through other means.

Comments: As per the Article 78 of the constitution Appropriation Bill is published in the gazette before submitting to the parliament. Once it gazetted public can provide inputs.

Researcher Response

There have been no formal public hearings in place to receive inputs from public during the budget formulation or implementation stage of FY2023.

IBP Comment

The comments are well received. This question asks specifically if the legislature or the relevant legislative committee(s) holds public hearings and/or uses other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget. Upon reviewing the comment from the government reviewer, no evidence has been found to support the occurrence of public hearings or spaces for the public to provide input during budget formulation. Therefore, answer (d) is maintained.

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.

Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Secretary of Committee of Public finance and the team, Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce and Director General of the National Budget Department

Comment:

The Parliament does not seek input from public directly at any stage. However, the public can raise question/provide inputs to their elected representative (Members of Parliament) on the annual budget at pre-budget or approval stage. These MPs can raise the questions of public, at the Committee Stage debates. The Director General of NDB stated that Parliament is open to everyone, and anyone can give their suggestions during the meetings, but he did not confirm if there were any formal hearings that took place to get inputs from the public for budget 2023. However, the Secretary of Committee of Public Finance and the team confirmed that, they did not conduct any public hearings under the current chairmanship for 2023 but they did this kind of hearings in the previous Chairmanship, and this component usually depends on the chairmanships. Staff of the Economic Intelligence Unit of the Ceylon Chamber stated that they were requested by some of the committees in the parliament for input but not from COPA and COPE. However, no source document can be found online as a verification of this statement and hence, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.

Answer "a" applies when the legislature provides a written document with:

- *The inputs received from the public (e.g., a written transcript) and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the legislature provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).*

Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response from the Secretary of Committee of Public finance and the team, Staff of the Economic Intelligence Unit of the Ceylon Chamber of Commerce and Director General of the National Budget Department

Comment:

There is no evidence of feedback provided to members of the public on how their inputs were used in the deliberative process.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response of the Senior Assistant Auditor General

Comment:

Senior Assistant Auditor General stated that there are not any formal public hearings taking place to get public inputs for the Audit Report. However, they receive plenty of letters from the public every year as The National Audit Office is open for suggestions, petitions and complaints from the public. The receipts from the public are examined by a special investigation division under the National Audit Office and if there is any suggestion for the audit report, those are incorporated into the report as well. As there are no formal public hearings are happening, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

GUIDELINES:

This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.

Answer:

a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

Source:

Response of the Senior Assistant Auditor General,

Link to the contact form of National Audit Office: <http://www.auditorgeneral.gov.lk/web/index.php/en/contact-form?%20view=alfcontact>

Link to the complaint form of National Audit Office: <http://www.auditorgeneral.gov.lk/web/index.php/en/complaint-submit-form>

Comment:

According to Section 04 of the National Audit Act, No. 19 of 2018, any member of the society can submit representations to the NAOSL directly on affairs of the public entities. The National Audit Office is open for suggestions, petitions and complaints from the public.

The Senior Assistant Auditor General stated that, the receipts from public are examined by a special investigation division (Petition branch) which function under Dean of the National Audit Office. In addition to that, there is a separate unit with experts to handle suggestions, petitions and complaints with higher gravity.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.

Answer "a" applies when the Supreme Audit Institution provides a written document with:

- *The inputs received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the SAI provides a written document that includes:

- *The inputs received from the public and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.*

Answer "c" applies when the SAI provides a written document that includes:

- *The received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Response of the Senior Assistant Auditor General

Link to the National Audit Act No. 19 of 2018 of Parliament of the Democratic Socialist Republic of Sri Lanka:

https://www.srilankalaw.lk/gazette/2018_pdf/19-2018_E.pdf

Comment:

The Senior Assistant Auditor General confirmed that they acknowledge the request received and if the petitioner requests for an explanation and follows up on how his/her input has been used, they would be provided with a written document or a summary explaining how their input was utilized, but it is given only after the Audit report is tabled in the parliament.

According to the Section 04 of the National Audit Act, No. 19 of 2018, the National Audit Office of Sri Lanka (NAOSL) is required to submit a report to Parliament on actions taken by the NAOSL using inputs made by the citizen. However, since there are no supporting documents available online to prove above mentioned statement, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

GUIDELINES:

This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:

b. The requirements for an "a" response are not met.

Source:

Response of the Senior Assistant Auditor General

Link to the contact form of National Audit Office: <http://www.auditorgeneral.gov.lk/web/index.php/en/contact-form?%20view=alfcontact>

Link to the complaint form of National Audit Office: <http://www.auditorgeneral.gov.lk/web/index.php/en/complaint-submit-form>

Comment:

There is no formal mechanism in place. The Senior Assistant Auditor General stated that if the person is contactable and willing to contribute to audit investigations as a respondent or a witness without any force, they do get their contribution as well. Further, the public can contribute to the audit investigations carried out by the NAOSL by making written representations and providing other evidence at the field visits. However, since there are no supporting documents available online to prove above mentioned statement, answer d. has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree