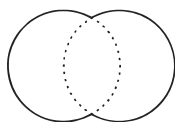


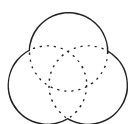
Overview



Transparency:

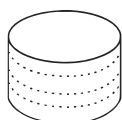
37 /100

(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:

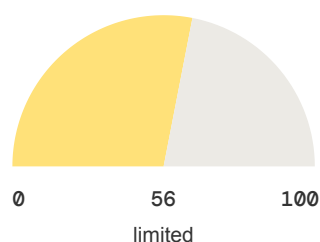
- Establish formal mechanisms for the public to contribute to relevant audit investigations.

Budget Oversight

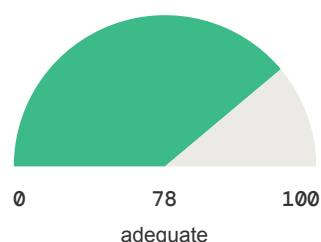
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information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