Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 indicators to measure budget transparency. These indicators are used to assess whether the central government makes eight key budget documents available to the public in a timely manner and whether the data contained in these documents are comprehensive and useful.

Each country is given a score out of 100 which determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

**Transparency (Open Budget Index)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>39</td>
</tr>
<tr>
<td>2008</td>
<td>46</td>
</tr>
<tr>
<td>2010</td>
<td>67</td>
</tr>
<tr>
<td>2012</td>
<td>46</td>
</tr>
<tr>
<td>2015</td>
<td>39</td>
</tr>
</tbody>
</table>

Sri Lanka’s score of 39 out of 100 is moderately lower than the global average score of 45.

**Usefulness of Budget Information Throughout the Budget Cycle**

Notes: The following categories are used to report the usefulness of each document:
- Not produced
- Published Late
- Internal Use
- Scant
- Minimal
- Limited
- Substantial
- Extensive

**Regional Comparison**

Sri Lanka’s score of 39 out of 100 is moderately lower than the global average score of 45.
The Availability of Budget Documents Over Time

Sri Lanka’s score of 39 on the 2015 Open Budget Index is lower than its score in 2012. However, the regression in transparency observed in Sri Lanka appears to be largely temporary in nature. The 2012 Audit Report, which was assessed in the Open Budget Survey 2015, was not made available to the public in a timely manner. However, since the end of the Open Budget Survey research period on 30 June 2014, Sri Lanka has published the 2013 Audit Report on time.

The Government of Sri Lanka has failed to make progress in the following ways:

■ Not making the In-Year Reports available to the public in a timely manner.
■ Not producing a Pre-Budget Statement, Citizens Budget, and Mid-Year Review.

Evidence suggests that transparency alone is insufficient for improving governance, and that public participation in budgeting can maximize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

Sri Lanka’s score of 15 out of 100 indicates that the provision of opportunities for the public to engage in the budget process is weak. This is lower than the global average score of 25.

The Regional Comparison chart shows that Sri Lanka is Lagging behind other countries in terms of public participation in budgeting. The chart illustrates the scores for different countries, ranging from 10 to 27, with Sri Lanka scoring a 15.

The Executive Branch of the government in Sri Lanka is rated as weak, indicating a lack of opportunities for public participation. The Legislative Branch is also rated as weak, which further highlights the need for improved public participation. The Supreme Audit Institution is rated as No, indicating no provision for public participation in this aspect.

In summary, Sri Lanka needs to focus on improving public participation in budgeting to enhance transparency and governance.
The Open Budget Survey examines the extent to which legislatures and supreme audit institutions are able to provide effective oversight of the budget. These institutions play a critical role – often enshrined in national constitutions – in planning budgets and overseeing their implementation.

Oversight by the Legislature

The legislature provides limited oversight during the planning stage of the budget cycle and weak oversight during the implementation stage of the budget cycle. The legislature does not have a specialized budget research office, and a pre-budget debate by the legislature does not take place. Moreover, in both law and practice, the legislature is not consulted prior to the virement of funds in the Enacted Budget and spending contingency funds that were not identified in the Enacted Budget.

Oversight by the Supreme Audit Institution

The supreme audit institution provides adequate budget oversight. Under the law, it has full discretion to undertake audits as it sees fit. Moreover, the head of the institution cannot be removed without legislative or judicial approval, which bolsters its independence. Finally, the supreme audit institution is provided with insufficient resources to fulfill its mandate and has a weak quality assurance system in place.

RECOMMENDATIONS

Improving Transparency
Sri Lanka should prioritize the following actions to improve budget transparency:
- Publish in a timely manner the In-Year Reports.
- Produce and publish a Pre-Budget Statement, a Citizens Budget, and a Mid-Year Review.

Improving Participation
Sri Lanka should prioritize the following actions to improve budget participation:
- Establish credible and effective mechanisms (i.e., public hearings, surveys, focus groups) for capturing a range of public perspectives on budget matters.
- Hold legislative hearings on the budgets of specific ministries, departments, and agencies at which testimony from the public is heard.
- Establish formal mechanisms for the public to assist the supreme audit institution to formulate its audit program and participate in audit investigations.

Improving Oversight
Sri Lanka should prioritize the following actions to strengthen budget oversight:
- Establish a specialized budget research office for the legislature.
- In both law and practice, ensure the legislature is consulted prior to the virement of funds in the Enacted Budget and the spending of contingency funds that were not identified in the Enacted Budget.
- Ensure the supreme audit institution has adequate funding to perform its duties, as determined by an independent body (e.g., the legislature or judiciary).
The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), and the International Organisation of Supreme Audit Institutions (INTOSAI). It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between March 2014 and September 2015 and involved about 300 experts in 102 countries. The Survey was revised somewhat from the 2012 version to reflect emerging developments in accepted good practice and to strengthen individual questions. A full discussion of these changes can be found in a technical note on the comparability of the Open Budget Index over time (see below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable party.

Despite repeated efforts, IBP was unable to get comments on the draft Open Budget Questionnaire results from the Government of Sri Lanka.

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Further Information
Visit www.openbudgetsurvey.org for more information, including:
- The Open Budget Survey 2015: Global Report
- Individual datasets for each of the 102 countries surveyed.
- A technical note on the comparability of the Open Budget Index over time.