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Malaysia Open Budget Index 2024

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This report was amended from an earlier version to reflect the correction made on page 8, line 3. It previously read “Melaka also made key improvements in the provision of AR documents, which contributed to the improvement in its score.

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IDEAS would like to thank our partners who undertook the Malaysia Open Budget Index assessment for these states

Name	Affiliation	State Assessed
Nur Farhanah Binti Zainor	Dewan Muda Johor	Johor
Puteri Aida Sakeena Binti Abdul Majid	MyHutan (Undi18), IRSOC (UM), The Planet Prodigy (UM), Persatuan Penduduk Bukit Raja	Kedah
Muhammad Aqil Iqbal Bin Mohd Zulkiffli	Angkatan Belia Islam Malaysia, Cawangan Negeri Kelantan (ABIM Kelantan)	Kelantan
Samron Dorai A/L Charles Joseph Thangadorai	Runding Institute of Sarawak	Melaka
Muhammad Syafiq Haiqal Bin Supaizam Muhammad Aiman Bin Ali	Mahasiswa Anak Johor USIM	Negeri Sembilan
Qamelia Binti Mohd Shamsudin	Suara Siswa Universiti Malaya	Pahang
Dylan Dev Natasha Maya	Monash Political Awareness Club (MONPAC)	Penang
Anonymous	-	Perak
Muhammad Azril Bin Alias	Persatuan Kecemerlangan dan Pembangunan Perlis	Perlis
Robert Hii and Tan Teik Jiao	Society for Equality, Respect And Trust for All Sabah (SERATA)	Sabah

Name	Affiliation	State Assessed
Suraya Binti Bujang	Persatuan Sosial Purple Lily Kuching	Sarawak
Adam Azrai Bin Mazli	Malaysian United Democratic Alliance (MUDA)	Selangor
Muhammad Hanif Bin Yahaya and Anas Hasbullah	Pertubuhan IKRAM Malaysia	Terengganu

IDEAS would also like to acknowledge the anonymous peer reviewers who provided an independent review of the scoring. Peer reviewers are drawn from civil society in related areas of expertise, former trained assessment partners of MyOBI, or persons familiar with the budget transparency benchmarks of the Open Budget Survey



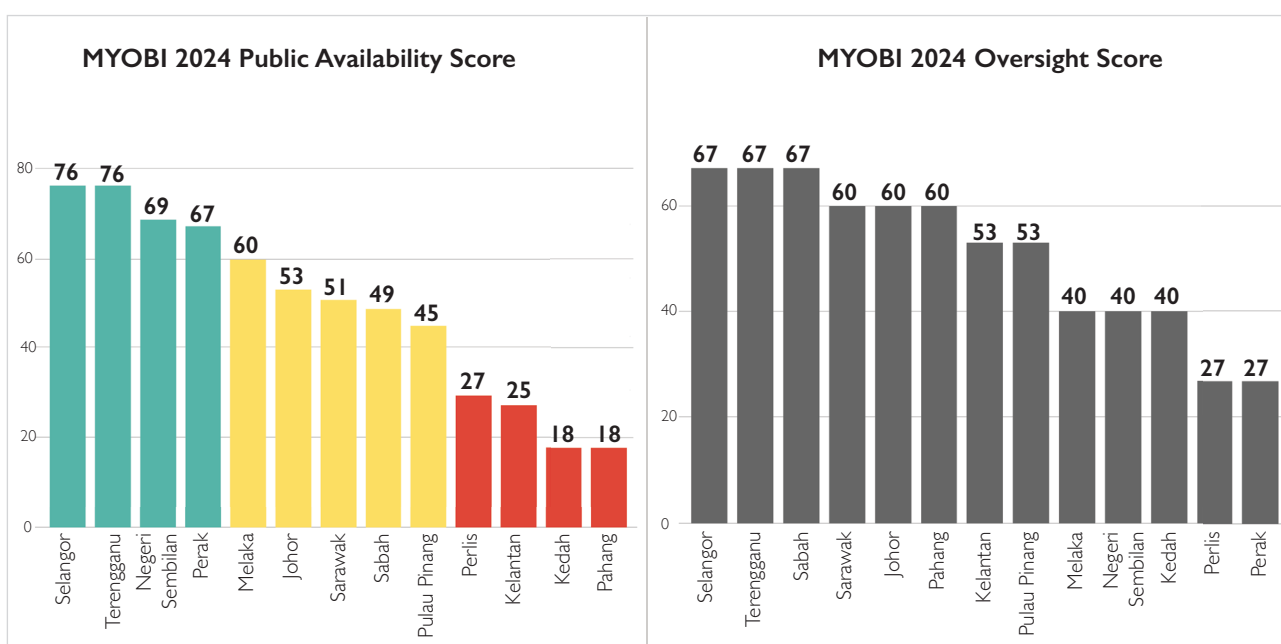
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Executive Summary

The MyOBI Assessment seeks to analyse the transparency of the state budget process by verifying the availability of key budget documents, the timeliness of the publication of these documents, the role of the state legislative assembly in providing oversight throughout the budget process, and the ability of the public to meaningfully participate in the budget process.

The overall results indicate that some state governments still have not done enough to ensure adequate disclosure of budget information to the public and that there is an insufficient level of oversight by the state legislative assembly during the formulation of the state budget. This index helps identify several key reform actions that can be done relatively quickly and easily to improve budget transparency and oversight.



61 - 100	Substantial Disclosure
41 - 60	Minimal Disclosure
0 - 40	Insufficient Disclosure

Public Availability Scores

In Public Availability, the states of Terengganu and Selangor obtained the highest scores in this MyOBI assessment, while the states of Kedah and Pahang obtained the lowest scores. The states of Sarawak and Melaka had the biggest

improvements in performance, thanks mainly to both states making key budget documents publicly available on their respective official state government websites. No states had published all budget documents and budget transparency is still poor, with 6 states not publishing their Budget Estimates.

Oversight Scores

In Oversight, Selangor, Terengganu, and Sabah obtained the highest scores in this MyOBI assessment, while Perak and Perlis obtained the lowest scores. Each state has improved their Oversight scores because of improvements in the number of sessions held by the state legislative assembly and the timeliness of budget submissions. Low scores in MyOBI 2022 were partially due to the previous assessment being conducted in the shadow of ongoing COVID-19 restrictions, which had an impact on state assembly sittings. This shows that despite an improvement in the scores, the oversight role of state legislative assemblies remains relatively weak and there is much room for improvement.

Public Participation

Currently, few states provide meaningful opportunities for the public or civil society to participate in the budget process. Only Negeri Sembilan and Pahang provided public feedback mechanisms during both budget formulation and budget implementation, while Melaka, Selangor, and Terengganu provided feedback mechanisms only during the budget formulation stage. However, every state was able to disseminate information on budget proceedings via social media and provide live streams of the budget speech, allowing a degree of transparency and accessibility to the general public.

While this section is currently unscored, we look forward to continued improvements here, to allow the public to not just be more informed of what is happening in their state governments, but to also meaningfully participate in governance. Citizens must be participants, not just spectators.

Key Recommend

Public Availability

- State governments should ensure that EBP documents are available for access by the public in a timely manner.
- The Estimates of Revenue and Expenditure should be published (“Buku Belanjawan/ Bajet”) to ensure that the public is able to get a more in-depth understanding of state government spending and revenue details.

Oversight

- State governments and State Legislative Assemblies should ensure that the hansards of each assembly sitting are available online, and are fully up-to-date
- PAC records should also be kept up to date, including members of the PAC and records of what has been discussed in PAC meetings for greater transparency.

Public Participation

- Mechanisms for the public and civil society to comment and provide feedback during budget formulation and implementation
- Public forums and meetings to disseminate budget information and facilitate two-way dialogue with the public
- Forming select committees with the power to summon state civil servants and convene hearings with citizens and civil society invited to provide feedback



Introduction

In 2022, IDEAS formulated the Malaysia Open Budget Index (MyOBI) to shine a light on the need for greater transparency in the state budgetary process. This index was part of our response to the democratic opening created by the monumental shift in the 2018 General Election and the resulting change in government. We believe that the opening of civic space can be more meaningful if civil society and the general public at large are more well-informed and well-equipped to participate in that democratic process. Since then, the subsequent COVID-19 pandemic and the new multi-party reality that has emerged following the 2022 General Election has strengthened the need for a more transparent and accountable government, especially as ever more people have the opportunity to be better informed. This index was created to meet that demand, with a focus on budget transparency to enable participation at the state level.

The Malaysia Open Budget Index (MyOBI) functions as a tool to benchmark state budget transparency as well as to identify areas of improvement. The questions posed in the MyOBI questionnaire are based on international best practices in budget transparency. The responses given to these questions indicate current levels of transparency within a particular state and potential action that can be taken to improve it.

Studies conducted on budget transparency and fiscal management show a positive association between greater budget transparency and stronger institutional trust, better fiscal policy outcomes, and allocation of resources (Ferreira & Guerrero, 2022, 18-20). The ability of citizens to better monitor and scrutinise government spending also reduces the likelihood of corruption and misappropriation of funds as public officials are less likely to engage in corrupt activities when they know they're being monitored. This also improves the credibility of the state budget as the state government knows that its policy outcomes and progress is being actively monitored by an informed public, leading to stronger implementation of programmes. Through meaningful public participation, the public is able to actively shape policy objectives and ensure that government policies are more likely to be appropriately designed to meet the public's needs and consequently to lead to enhanced developmental outcomes.

The MyOBI questionnaire is adapted from the international budget transparency benchmark devised by the International Budget Partnership (IBP), the publisher of the Open Budget Survey (OBS), a global survey that evaluates the level of transparency, oversight, and public participation in the budget process. When the questionnaire was first formulated, an early draft was shared with the IBP and other organisations that had experience in conducting budget transparency assessments at the subnational level. In addition, the questionnaire responses have gone through several rounds of review, including internal review and peer review by individuals who have a better understanding of the state budget process to ensure that the process is transparent and credible.

By creating this index, we hope that it will serve as a national benchmark for budget transparency and encourage state governments to publish more budget information online. We hope that this benchmark would also encourage citizens to use this information to analyse state government policies and track service delivery, as well as to demand for more accountability. In the future, IDEAS also intends to expand the MyOBI benchmark in terms of availability of detailed and comprehensive budget information, to continue urging state governments to reach higher levels of budget accountability.

The overall results indicate that some state governments still have not done enough to ensure adequate disclosure of budget information to the public and that there is an insufficient level of oversight by the state legislative assembly during the formulation of the state budget. This index helps identify several key reform actions that can be done relatively quickly and easily to improve budget transparency and oversight.

The following report will discuss the initial findings of the MyOBI 2024 assessment as well as possible reform actions that can be implemented.

Overview

The Malaysian Open Budget Index (MyOBI) is a comparative assessment of state budget transparency, modelled after international benchmarks established by the International Budget Partnership's Open Budget Survey (OBS). This questionnaire assesses the public availability of state government budget information and the role of oversight institutions such as the State Legislative Assembly (Dewan Undangan Negeri, DUN) and state auditors

This index was developed using a 30 question assessment split across 3 core components:

- **Public Availability:** 16 questions track the publicly availability and accessibility of budget documents by the state government
- **Oversight:** 8 questions track the role of the state legislative assembly in its oversight of the budget process
- **Public Participation:** 6 questions track the ability of the public to make meaningful and informed contributions to the budget process

These questions are evaluated on a scale from 0 - 100, with 16 questions having 4 options, 12 questions having 2 options, and another 2 questions where our researchers were instructed to write a short answer. The overall score for each category is a simple average of all questions considered within that category. Out of the 30 questions, 15 questions are considered for scoring Public Availability and 6

questions are considered for scoring Oversight. Unscored questions are for information and analysis. For further information, refer to the Methodology note which is available on www.pantauwangkita.com.

Public participation is a new category and is currently unscored as the methodology team decided to collect only basic information on the states' level of activity in this area before devising benchmarking questions in a future iteration of MyOBI.

Public Availability

Questions on Public Availability assess the availability of key budget documents to the general public. This is to ensure that the budget process is transparent and that the public are able to be informed on the spending priorities and sources of revenue of the state government. In addition to the availability of these documents, these questions also assess the timeliness of the publication of these documents. This is to ensure that there is enough time for informed, critical debate. The publication and reporting of these documents are evaluated in the current MyOBI:

1. Executive Budget Proposal (EBP)

This is a comprehensive budget document that lays out the state government's spending plans for the budget year, that is submitted to the state legislative assembly for approval. It includes:

1. The budget speech made by the state chief executive (Menteri Besar/Chief Minister)
2. The supply bill that is debated and passed by the state legislative assembly
3. Estimates of expenditure and revenue. The third document is often referred to as the "Buku Belanjawan", which includes detailed estimates of revenue collection and projected expenditure.

The availability of these documents is only accepted if they are made freely available to the public on the official state government or state legislative assembly website, with no password protections or other restrictions that hinder their accessibility. Documents cannot be made available only to members of the state legislative assembly or made available to the public only upon request.

In addition, these documents must be made available for the duration of the assessment period, with documents taken down during the assessment period not counting towards the state's assessment score. Documents that have been uploaded after the assessment period will be accepted on a case-by-case basis but will not be counted towards scores for timeliness. This is because in addition to the availability of key budget documents, the MyOBI also assesses timeliness as part of the Oversight score.

This includes when the EBP is tabled by the state legislative assembly, when key budget documents are published, and when they are uploaded to the official state government website.

2. Enacted Budget (EB)

Once the EBP has been debated, amended, and passed by the state legislative assembly, it is referred to as the Enacted Budget (EB). In essence, it is the supply bill that has been passed by the state legislative assembly once the proposed budget (EBP) has been tabled by the state executive.

The availability of this document is determined by the publication of the supply ordinance or supply enactment on the state government website

3. Year End Report (YER)

The Year End Report (YER) refers to a document that details actual budget execution, in terms of revenue collected and expenditure, as well as the current financial health of government accounts at the end of the last fiscal year.

4. Audit Report (AR)

The Audit Report (AR) is a document produced by the Supreme Audit Institution (SAI), in this case, the National Audit Department, and is referred to as the National Auditor General's Report ("Laporan Ketua Audit Negara", "LKAN"). This evaluates the accuracy of state government financial statements, compliance with existing laws and regulations, as well as the financial health of government agencies and entities.

Public availability also means the documents must be available within a meaningful time frame to enable public participation and oversight. For example, states would receive a zero score on the availability of the EBP if it is published after the budget is approved, because it is information intended for deliberation of the budget. For timeliness, the publication and reporting of these documents are evaluated in the current MyOBI:

- 2024 Executive Budget Proposal (EBP) and Enacted Budget (EB)
- 2022 Year End Report (YER)
- 2021 Audit Report (AR)

Table 1: Standard for Timeliness

Budget Documents	Timely publication according to OBS Standards	What these standards mean in Malaysia's Budget Year
Executive Budget Proposal (EBP)	<ul style="list-style-type: none"> • Before it is approved by the legislative body • 2 (Two) months before fiscal year 	<ul style="list-style-type: none"> • Before it is approved by the DUN • Before 1 November <p>The 2024 EBP should be published between 1 October - 31 December 2023</p>
Enacted Budget (EB)	<ul style="list-style-type: none"> • Before the Budget Year starts • Within 2 (Two) weeks of being passed by the State Legislative Assembly 	<ul style="list-style-type: none"> • Before 1 January annually <p>The 2024 EB should be published before 1 January 2024</p>
Year End Report (YER)	<ul style="list-style-type: none"> • Within 6 (Six) months after the end of the fiscal year 	<ul style="list-style-type: none"> • Between January - June annually <p>The 2022 YER should be published between January - June 2023</p>

Budget Documents	Timely publication according to OBS Standards	What these standards mean in Malaysia's Budget Year
Audit Report (AR)	<ul style="list-style-type: none"> Within 9 (Nine) months after the end of the fiscal year 	<p>Between January - September annually</p> <p>The 2021 AR should be published between January - September 2021</p>

Oversight

Questions on Oversight, on the other hand, assess the timeliness of tabling the budget to the State Legislative Assembly to ensure that there is sufficient time for meaningful debate before the end of the fiscal year. The questionnaire also checks that a review of past audit reports has been conducted and reported by either the Public Accounts Committee (PAC) or an equivalent Select Committee. For MyOBI 2024, there must be a publicly available report that shows the PAC has examined the 2021 Audit Report by June 2023.

Public Participation

Public Participation measures the ability of the general public and civil society to be informed of the budget process and to contribute to the state budget in a way that is meaningful. This includes mechanisms that allow for the public to provide input during the formulation of the annual budget, to make their priorities known as the budget is being formulated, and during the implementation of the budget, to ensure that the public can demand for accountability should resources allocated to the budget get misappropriated or mismanaged.

To increase public participation in the budget process, gathering inputs from the public is vital in order to craft meaningful budget decisions. This can include online forms, public forums, online channels for feedback, and social media. These initiatives should be conducted either by the state executive, executive committee (EXCO), or the state government, and not be the initiative of any one individual state representative. This is to ensure that this process is institutionalised and will survive any change in government or representative.

Methodology

IDEAS worked with 15 individuals in different states to carry out the assessment as researchers. While many of them are affiliated with local organisations, others carried out the assessment as independent citizens. Before carrying out the assessment, these researchers attended a training on budget transparency and the budget process in Malaysia. While the assessment was being conducted, IDEAS scheduled check-in meetings where they could ask questions on the survey, clarify methodology and share their concerns.

After the researchers completed the assessment, IDEAS then sent the results to peer reviewers who are more familiar with the Malaysian budgeting system for further review as well as to state governments for further comment. Unfortunately, only the state government of Terengganu agreed to carry out the review via the state think-tank, Terengganu Strategic & Integrity Institute (TSIS). We hope to get a better response in future assessments to ensure that scores accurately reflect actual current practices.

Scores are calculated as an average of all questions considered within that category. The score for Public Availability is calculated as an average of questions in the EBP, EB, YER, and AR sections while the score for Oversight is an average of questions in the Oversight section. The questionnaire was also further refined in its current iteration to be more precise and to include questions on Public Participation, which measures the ability that the general public and civil society are able to meaningfully participate and engage with the budget process in an informed manner. For this round, Public Participation questions are not scored but are asked for gauging the level of state government activity in this area.

For more information on the methodology and how the scores are calculated, please refer to the methodology notes published on www.pantauwangkita.com

Key Findings

The categories of Public availability and oversight are scored separately in the MyOBI. Because of this, both of these categories will be discussed separately in this section.

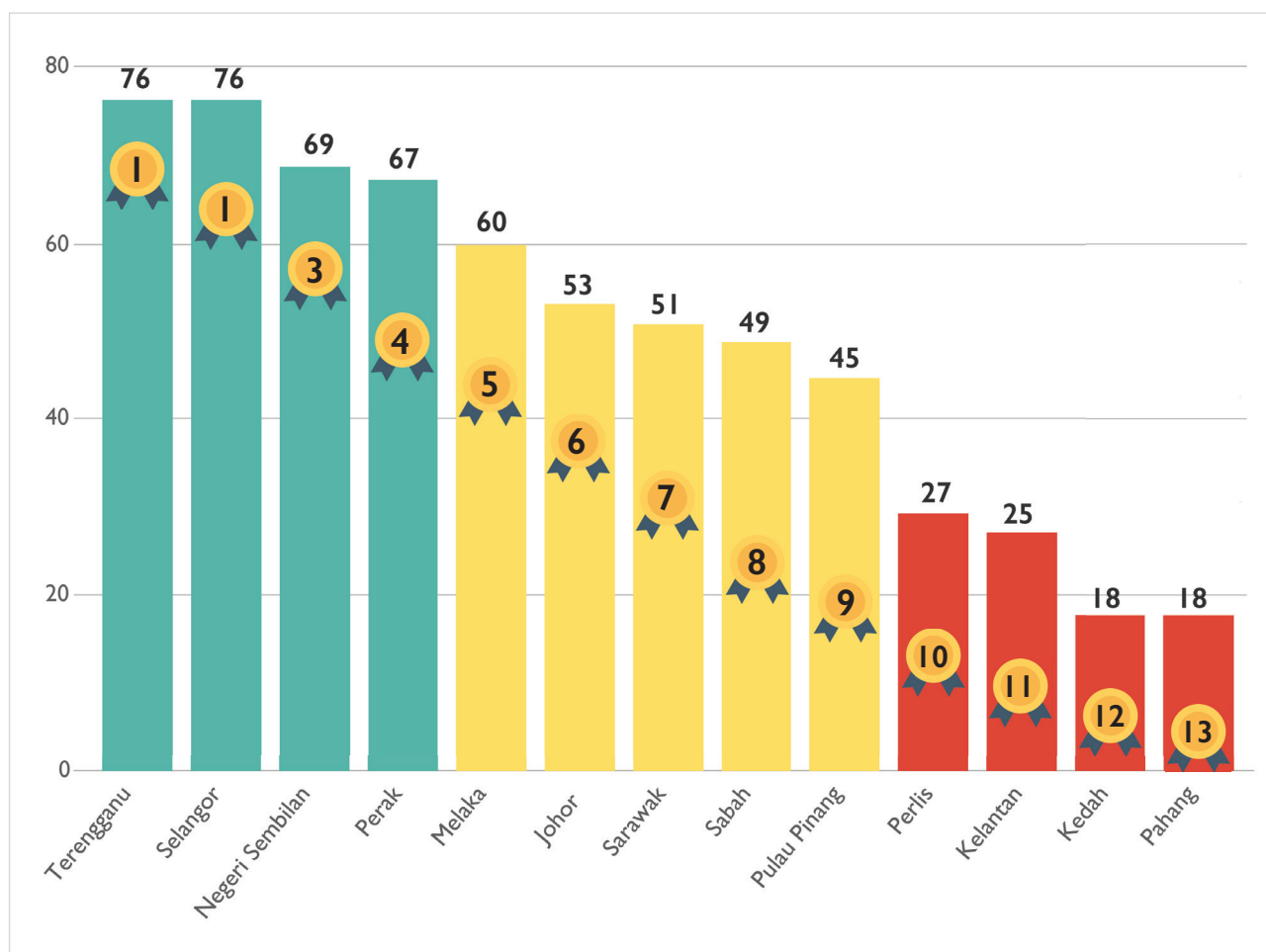
I. Public Availability

The public availability score measures the availability of key budget documents to the public. Terengganu and Selangor tied for the first rank in transparency of their state budgets, followed by Negeri Sembilan. Kedah and Pahang were the poorest performing states in this area, while Melaka and Sarawak showed marked improvements from MyOBI 2022. The average Public Availability score has declined slightly to 49, compared to an average score of 53 in the previous MyOBI assessment.

The overall results from the MyOBI assessment indicate that state governments need to do more to ensure that key budget documents and detailed budget information is provided to the public. Most states publish some EBP documents such as the Budget Speech as well as AR documents. However, the same attention was not afforded to the publication of EB And YER documents.

Only seven out of 13 states publish the budget estimates which provide the details of the states' revenues and expenditures. In this round, no states managed to publish all documents within the given timelines, although Terengganu comes close, missing only the YER.

Graph I: Public Availability Scores by State

**Note:**

Ranking

61 - 100	Substantial Disclosure
41 - 60	Minimal Disclosure
0 - 40	Insufficient Disclosure

Substantial Disclosure: The states of **Terengganu, Selangor, Negeri Sembilan, and Perak** were able to provide a detailed breakdown of their respective expenditure and revenue breakdowns. In expenditure, the states of Terengganu, Selangor, and Negeri Sembilan stand out for providing a breakdown of operating expenditure by economic classification, while Terengganu also provided a detailed breakdown of expenditure down to the program level. Terengganu should also be commended for being the only state so far to consistently publish its EB. All four states provided detailed estimated revenue breakdowns.

Minimal Disclosure: The states of **Melaka, Johor, Sarawak, Sabah, and Pulau Pinang** varied in the level of detail and types of budget documents that were made available to the public. The only EBP document that Pulau Pinang and Sabah make available to the public is the Budget Speech, which does not provide a substantial or detailed breakdown of estimated state revenue and expenditure for the Budget Year.

The states of **Melaka** and **Sarawak** stand out in this category for making dramatic improvements since the MyOBI assessment, with key improvements in the provision of EBP documents and key budget details. Melaka also made key improvements in the provision of the YER documents, which contributed to the improvement in its score.

Insufficient Disclosure: Perlis, Kelantan, Kedah, and Pahang provided few, if any, budget documents. In particular, Kedah and Kelantan did not make any EBP document available to the public. While Pahang did provide the Budget Speech, its EBP archives were less complete. States in this category because they scored poorly in both the EBP section and the YER section. This is in comparison with the states in the “Minimal Disclosure” section which would score relatively well in one section and poorly in another section.

Kelantan is notable for being the only state to password-protect a key EBP document (Estimates of Revenue and Expenditure) on the official state government website, making it inaccessible to the public. Because of this, further budget details could not be assessed, hampering its score.

Table 2: Public Availability of All Key State Budget Documents

State	EBP (2024)			Citizens Budget	EB (2024)	YER (2022)	AR (2021)	State Total
	Speech	Budget Estimates	Supply Bill					
Johor	✓	✓	✗	✓	✗	✗	✓	4/7
Kedah	✗	✗	✗	✓	✗	✗	✓	2/7
Kelantan	✗	✗	✗	✓	✗	✗	✓	2/7
Melaka	✓	✓	✗	✓	✗	✓	✓	5/7
Negeri Sembilan	✓	✓	✗	✓	✗	✓	✓	5/7
Pahang	✓	✗	✗	✓	✗	✗	✓	3/7
Perak	✓	✓	✗	✓	✗	✓	✓	5/7
Perlis	✓	✗	✗	✓	✗	✗	✓	3/7
Pulau Pinang	✓	✗	✗	✓	✗	✓	✓	4/7
Sabah	✓	✗	✗	✗	✗	✓	✓	3/7
Sarawak	✓	✓	✗	✓	✗	✗	✓	4/7
Selangor	✓	✓	✗	✓	✗	✓	✓	5/7
Terengganu	✓	✓	✓	✓	✓	✗	✓	6/7
Total	11/13	7/13	1/13	12/13	1/13	6/13	13/13	

Notes:

EBP: Executive Budget Proposal
EB: Enacted Budget
YER: Year End Report
AR: Audit Report



Indicates the document was not publicly available.



Indicates the document was publicly available.

The document must be available online within the timeframe stipulated in the methodology to be recorded.

Executive Budget Proposal (EBP)

The second column of Table 1 shows that EBP documents are relatively widely available. 11/13 states made sure that at least the Budget Speech was available to the public. Estimates of Revenue and Expenditure are less readily available, with only 7 states producing the estimates. Conversely, only one state, Terengganu, provided the Supply Bill during this MyOBI assessment. However, nearly every state published a citizens version of the budget, which is a simplified version of the state budget, which can come in the version of a document or infographics posted on the official social media accounts of either the state government, state legislative assembly, or state executive. The sole exception to this is Sabah, which did not publish a citizens version of their state budget.

It is also important to note that in measuring timeliness, while the EBP was the most readily accessible and available document, none of the states were able to publish their EBP documents more than 2 months before the start of the next Fiscal Year, which is the best practice established in the Open Budget Survey (OBS), with many states still publishing their EBP after the budget had been approved. It is important to note that no state published their EBP documents before this point, which we have determined to be before 1 November 2023 for the 2024 Budget, as they were awaiting the presentation of the 2024 Federal Budget, which was done on 13th October 2023.

The publication of the EBP is vital as it contains information concerning the public funding and state spending priorities. Hence, state governments should strive to make the EBP as freely available as possible before the budget is approved, at least on the day the Menteri Besar/Chief Minister tables the EBP to the Assembly.

Enacted Budget (EB)

Compared to the EBP, fewer states published the EB document, which refers to the Supply Ordinance and Enactment. In this MyOBI assessment, only Terengganu made this document available to the general public on the official website. This document is necessary as it provides the authoritative budget that was approved in the legislative assembly. Comparing it against the Supply Bill would show if the State Legislative Assembly amended the proposed 2024 budget. It details the limits of supply spending of the state government by department or Ministry (in the case of Sabah and Sarawak).

Year End Report (YER)

The YER is not as widely available as the EBP documents, with only 7 states making this document available. This is the Financial Statement that records details of actual revenue and expenditure, allowing for a comparison with the allocated budget and revenue estimates in the EBP. The YER also reports on the state government's financial activities and the financial health of important state government accounts like the State Consolidated Fund and the Public Trust Fund. This section also records the timeliness in publishing the YER, which has room for improvement, with only Perak publishing this document within 9 months of the end of the budget year that it corresponds to. In addition, the YER can be improved in terms of content. Currently, it is mainly a financial statement that lists financial information without explaining the outcome of expenditure or the overall policy narrative behind state spending priorities and revenue sources. Feedback from some state government stakeholders also indicates that some

states rely on the audit report (AR) for the YER and treat these budget documents as identical, thus paying little attention to the publication of the YER.

State governments should see the YER as an opportunity to showcase and report on outcomes for major state expenditures. A consistent YER with a policy narrative can build public confidence, showing how the state has implemented its policies in the budget year. It can also provide systematic information on the state's fiscal policies that is necessary for the legislature to play its role in oversight.

Audit Report (AR)

The most widely available document is the AR (“Laporan Ketua Audit Negara”, “LKAN”) which is prepared by the Office of the Auditor General and also made available on the website of the Auditor General and of Parliament. Every state has this document available, which is encouraging because the information made available in this report details state government expenditures and revenues, as well as the investments and activities conducted by state statutory bodies. Additionally, it also highlights issues concerning activities and projects carried out by relevant government entities, allowing a greater degree of transparency and accountability.

However, these reports are often not made available on the official state government website. In addition, there is scarce evidence that these reports were laid out to the state assemblies because only 8 states publish their hansards (Penyata Rasmi), the official record of what has been discussed in the State Legislative Assembly.

Despite this, of the two types of budget documents that are widely available, only the AR was published in a timely manner:

Table 3: Date of Publication of EBP Documents

Date of Publication	States
Published by 31 October 2023	Nil
Published between 1 - 30 November 2023	<ul style="list-style-type: none"> • Pulau Pinang • Selangor • Terengganu • Sabah • Sarawak • Kedah
Published after 30 November 2023	<ul style="list-style-type: none"> • Johor • Kelantan • Melaka • Negeri Sembilan • Pahang • Perak • Perlis

2. Oversight

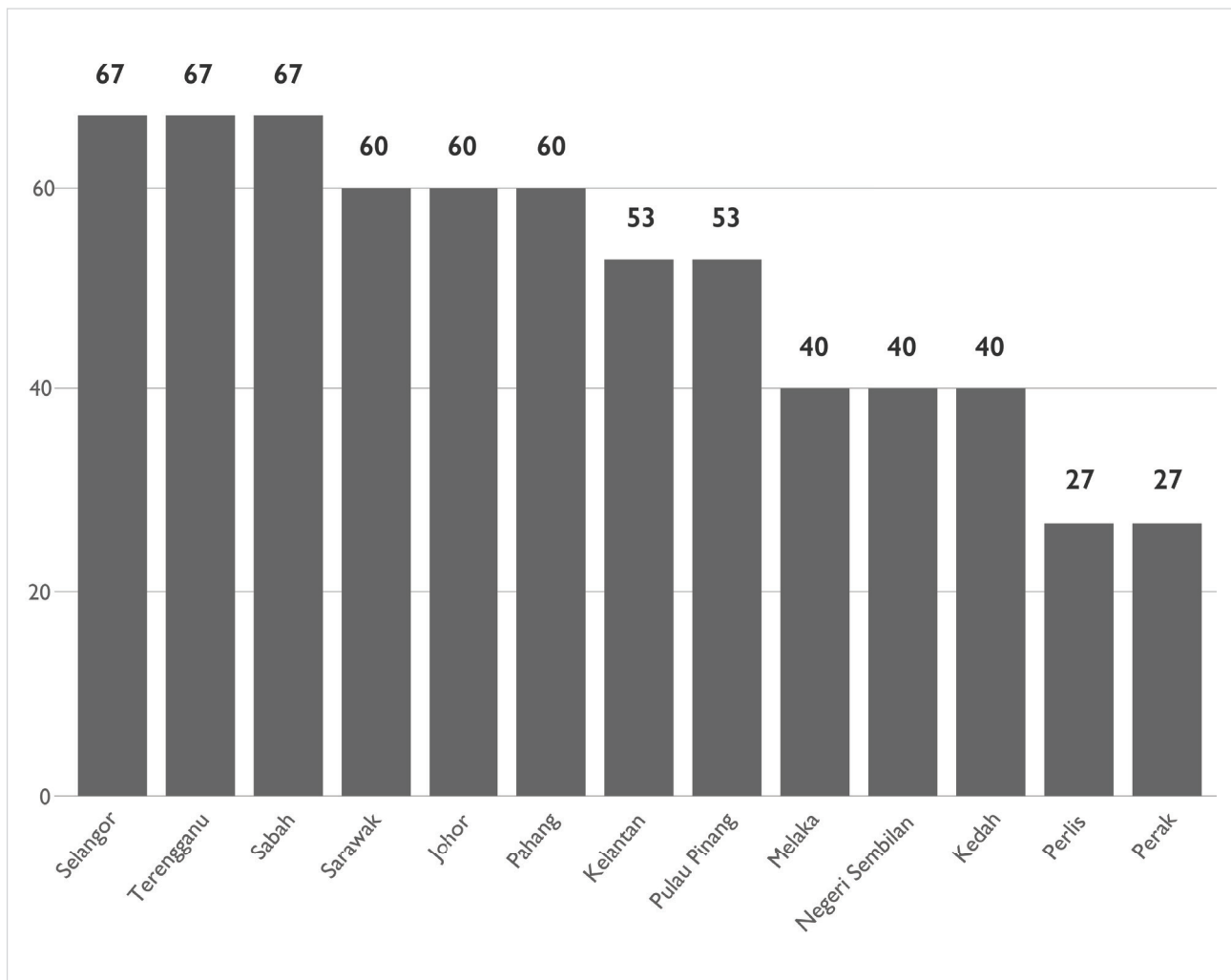
The Oversight Score is a measure of the role of the State Legislative Assembly in the budget process. This includes a measure of the timeliness of the tabling of the state budget to ensure that there is sufficient time to review and debate the budget, how many times the State Legislative Assembly is able to sit, the availability of information on the state Public Accounts Committee (PAC), and if the State Legislative Assembly provided a timely examination of the previous Audit Report.

The average Oversight Score has increased from 34 in the 2022 MyOBI assessment to 50, mainly due to improvements in the timeliness of budget tabling and the number of sittings by the State Legislative Assembly. However, this improvement in the Oversight score may be largely due to the lifting of COVID-19 restrictions, which were still present in the period assessed by the MyOBI 2022 report (For budget debates held in 2021).

Overall, there remains much room for improvement and the role of the State Legislative Assembly in exercising oversight remains weak. In addition, due to the centralised nature of Malaysia's federal structure, state governments are more reliant on transfers from the federal government, which has an impact on the timeliness of the state budget presentation as this can only be done after the presentation of the Federal Budget, which is done in October.

Most states completed deliberating their state budgets by the end of the first week of December, with the sole outlier being Perlis, which completed their budget deliberations a week later at the end of the second week of December. However, the State Legislative Assemblies had little time to deliberate the budget, with an average of 5 days being spent debating the budget before it was passed. Additionally, the PACs in most states do not publish their reports online, making it difficult for the public to ascertain if they have met to examine the latest audit reports.

Graph 2: Oversight Scores by State



Selangor, Terengganu, and Sabah are tied with the highest overall oversight score. This is because these states scored well in the timeliness in both the tabling and passing of the state budget as well as in the laying out of the Audit Report to the State Legislative Assembly. The timeliness of the laying out of the Audit Report could be determined because these states also made their hansards publicly available, making it possible to analyse what was laid out to the State Legislative Assembly, items up for debate, and bills that were passed. In addition, Selangor has up to date records of important special committees like the Public Accounts Committee (“PAC”), including records of PAC meetings and items discussed during those meetings.

Perak and Perlis are tied for the lowest score in this category because they weren’t as timely with the passing of its budget and because there was no information on the laying out of the Audit Report to the State Legislative Assembly or the availability of PAC information on the official state website. In addition, both states also do not make the official hansards available to the public, making it more difficult to track the number of sessions held by the State Legislative Assembly or items being discussed and bills passed in those sessions.

Table 4: Availability of State Assembly Official Records (Hansards) and Information on PAC Activity on State Legislative Assembly Sittings

State	Availability of State Assembly's Official Record (Hansard)	Availability of Livestream	Information on Public Account Committee (PAC) Activity
Johor	✓	~**	✗
Kedah	✗	✓	✗
Kelantan	✓	✓	✗
Melaka	✗	✓	✗
Negeri Sembilan	✓	✓	✗
Pahang	✓	~**	✗
Perak	✗	✓	✗
Perlis	✗	✓	✗
Pulau Pinang	✓	✓	✗
Sabah	✓	✓	✗
Sarawak	~*	✓	✗
Selangor	✓	✓	✓
Terengganu	✓	✓	✗

Notes:

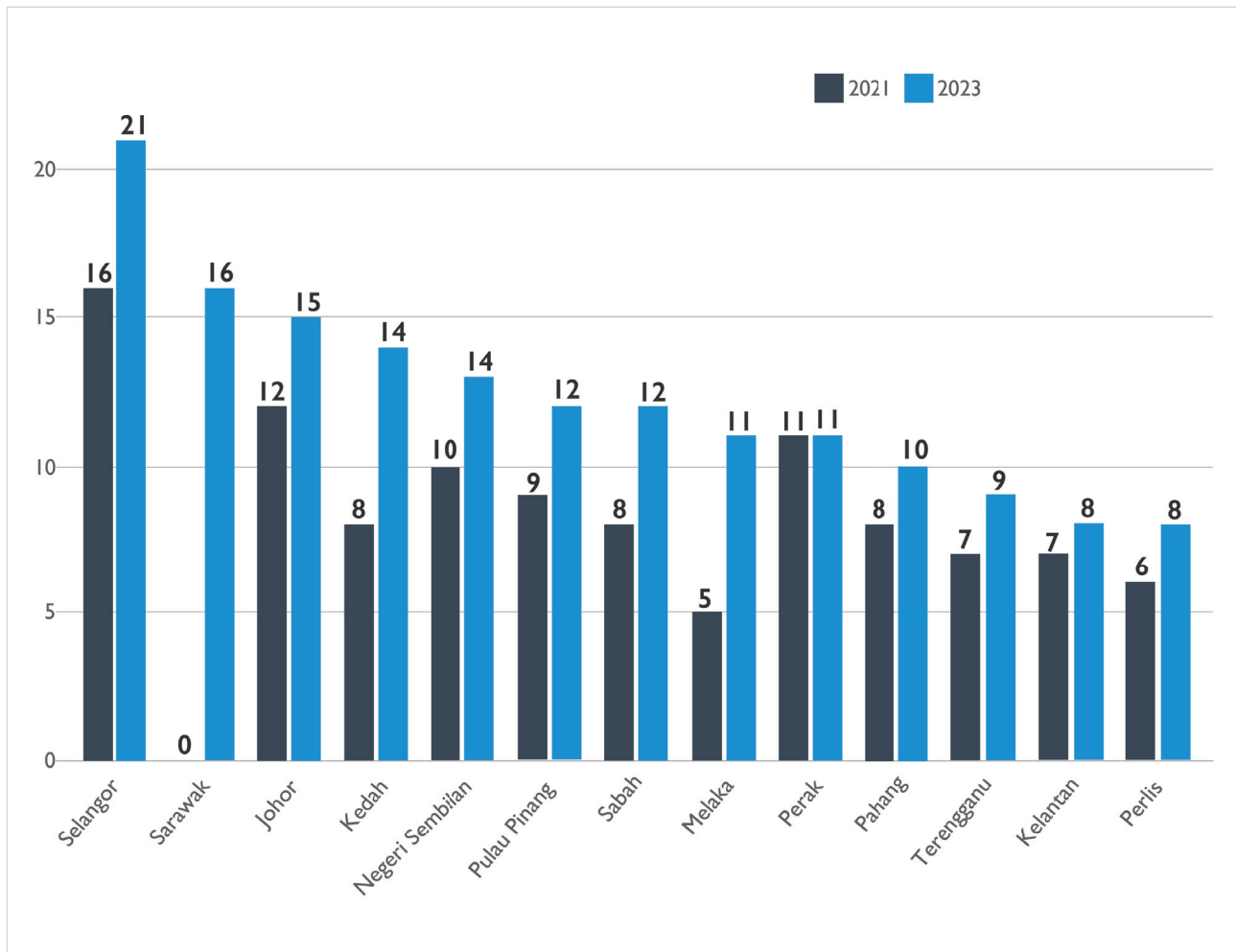
~* Deleted 1 month after the end of the previous assembly sitting

~** Livestreams only available for annual state budget speech

Nine state governments provide hansards, which act as a record of what was discussed in the sitting and which members attended the sittings. Of the states that make the hansard available, nearly all provided up-to-date hansards up to the last completed state legislative assembly session. The exceptions are Kelantan and Negeri Sembilan, where records for the last completed state legislative assembly session are currently incomplete or unavailable.

Virtually all state governments also provide live streams of state legislative assembly sittings, with Johor and Pahang being the sole exceptions, which only stream the annual budget speech. The availability of the live stream allows for the public to tune into state legislative assembly sittings and watch what is being discussed. In addition, these act as an archive that can be accessed so long as these videos remain hosted on the social media platforms (Facebook, Youtube) that these were streamed on. This is, however, an imperfect system because there is no systematic archive of state legislative assembly sitting videos and there is no way to search for specific items being discussed.

Graph 3: Number of Days that the State Legislative Assemblies met in 2021 and 2023



Overall, the number of days that each state holds state legislative assembly sessions remains insufficient for the legislative branch to provide effective oversight to the state government in assessing state bills and the state budget. While each state held at least three state legislative assembly sessions, each session varied in length. Some states, such as Perlis, Melaka and Kelantan, held a second session in the middle of the year that only lasted 2-3 days, which is not enough time for state legislators to provide effective scrutiny. On average, each state legislative assembly sat for 12 days across three sessions in 2023. In addition, the EBP approval process was also delayed across most states, with the average state legislative assembly passing the budget a month before the start of the next Budget Cycle.

While every state was reported to have three sessions in 2023, some states like Kedah, Melaka, Perak Perlis, and Sarawak do not report information on the date of assembly sessions. In these cases, researchers had to glean information from media reports and live streams of assembly sittings uploaded on social media by official state government and media accounts.

While an improvement from 2021, when the average number of days that the state legislative assembly had sittings was only 9 days, this pales in comparison to the federal parliament, where the Dewan Rakyat sat for 80 days and the Dewan Negara sat for 32 days, both across three regular sessions and one special session.

What is also notable is the lack of oversight and reporting by the state Public Accounts Committees (PACs). Only Selangor publishes reports of meetings conducted by the PAC on the official state legislative assembly website. However, even then there are no records of the PAC reviewing the 2021 audit report, with the last audit report being examined being the 2019 audit report being done in 2022. The other 12 states did not publish detailed information on select committees, especially on the reviews and reports made by the PAC. Some states, however, did list PAC members on the official state legislative assembly website.

Graph 4: Percentage of DUN Sitting Days Used for Deliberating the State Budget

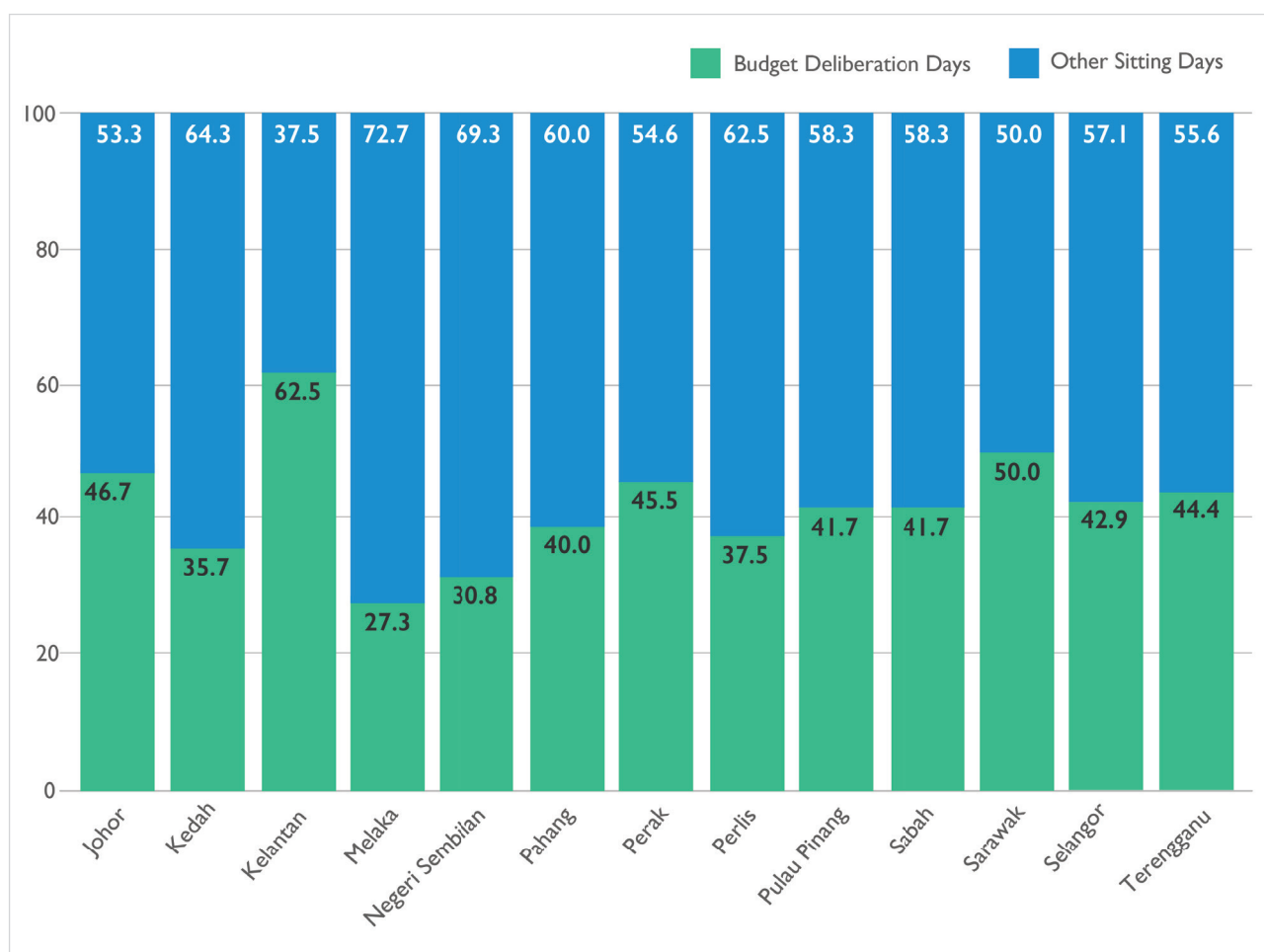


Table 5: Number of Days in Which State Representatives (Ahli Dewan Undangan Negeri, ADUN) Deliberate the EBP

States	Number of Days	Tabled on	Passed on
Johor	7	23 November 2023	3 December 2023
Kedah	5	26 November 2023	30 November 2023
Kelantan	5	22 November 2023	28 November 2023
Melaka	3	27 November 2023	29 November 2023
Negeri Sembilan	4	1 December 2023	6 December 2023
Pahang	4	4 December 2023	8 December 2023
Perak	5	1 December 2023	7 December 2023
Perlis	3	12 December 2023	14 December 2023
Pulau Pinang	5	24 November 2023	30 November 2023
Sabah	5	24 November 2023	30 November 2023
Sarawak	8	20 November 2023	29 November 2023
Selangor	9	14 November 2023	24 November 2023
Terengganu	4	27 November 2023	30 November 2023

While each State Legislative Assembly has three sittings per year, the number of days that they do sit for differs drastically from state to state. Selangor had the highest number of sitting days, at 21, compared to just 8 days for Kelantan and Perlis. The average State Legislative Assembly sits for just 12 days in a year and allocates 5 of those sitting days to deliberate the following years budget. Consequently, in 4 states, over 45% of their State Legislative Assembly sitting days are allocated for budget deliberations. This is highest in Kelantan, where 62.5% of the State Legislative Assembly sitting days are for the deliberation of the state budget.

3. Public Participation

Public Participation measures the ability of the public and civil society to meaningfully participate in the state budget process and be provided information on the state budget by either the state government or the state legislative assembly. Forms of public participation include online feedback forms, public forums, and public hearings called by legislative committees. A deeper form of public participation involves participatory budgeting, in which citizens and civil groups can provide proposals on projects and spending which are systematically collected and deliberated by the government. For a start, the MyOBI questionnaire only assesses the existence of basic forms of public participation through feedback channels or official engagement meetings.

In the Public Participation section, few states had initiatives that allowed for meaningful participation by the general public and civil society organisations in either the formulation or evaluation of the state budget. We found that, with few exceptions, states do not have public feedback mechanisms during the budget process. However, as previously mentioned, there is adequate communication of budget

proceedings via official state government social media on channels such as Facebook, Youtube, Instagram, and X (formerly known as Twitter). Each state also livestreams the tabling of the state budget and subsequent debates, allowing for a degree of transparency and public scrutiny.

While this section is currently unscored, we look forward to continued improvements here, to allow the public to not just be more informed of what is happening in their state governments, but to also meaningfully participate in governance. Citizens must be participants, not just spectators.

Table 6: Availability of Mechanisms for Public Participation during Budget Process

State	Public Participation - Budget Formulation (DUN)	Public Participation - Budget Implementation (DUN)	Public Participation - Budget Formulation (State Executive)	Public Participation - Budget Implementation (State Executive)
Johor	✗	✗	✗	✗
Kedah	✗	✗	✗	✗
Kelantan	✗	✗	✗	✗
Melaka	✓	✗	✗	✗
Negeri Sembilan	✗	✗	✓	✓
Pahang	✗	✗	✓	✓
Perak	✗	✗	✗	✗
Perlis	✗	✗	✗	✗
Pulau Pinang	✗	✗	✗	✗
Sabah	✗	✗	✗	✗
Sarawak	✗	✗	✗	✗
Selangor	✗	✗	✓	✗
Terengganu	✓	✗	✓	✗

Models for public participation in the budget

Public participation is vital to an effective budgeting process at both legislative and executive levels. Meaningful and inclusive public participation requires the following features:

1. The public are provided with sufficient information and topics for giving feedback beforehand
2. The participation platform is accessible and open to all
3. There is verification of the proposals received and accepted
4. There are efforts to reach underrepresented or vulnerable groups

Canada’s House of Commons Standing Committee on Finance pre-budget consultation exercise, launched in 1993, invites groups and individuals to voice their opinions on the upcoming annual budget by testifying in person or submitting briefs online (GIFT, 2021). The program also holds public consultations in various cities, and publishes briefs and recorded testimonies on its website, allowing participants to verify their submissions (GIFT, 2021; House of Commons Canada). The program has seen increased engagement since 2020. In 2024, the Committee received 858 briefs and 176 witness testimonies—the highest number of submissions (House of Commons Canada, 2024). Canada’s model is an excellent example for Malaysia, which currently lacks a formal mechanism for public participation in both federal and subnational legislatures.



On the executive side, Malaysia’s Ministry of Finance (MOF) offers a platform for public participation in budgeting at the federal level. During the formulation process, the MOF provides an online portal for 400 invited NGOs to submit budget memoranda, but the portal is not publicly accessible (IBP, 2024). The MOF also holds public consultations and publishes Public Consultation Papers (PCPs) on revenue forecasts and public project spending (IBP, 2024). The public can submit feedback on budget implementation through an online form, but there is no channel to verify whether the public feedback has been considered, and efforts to include underrepresented groups could be improved (IBP, 2024).

In the Philippines, Regional Development Councils (RDCs) and the Regional Project Monitoring Committee (RPMC) facilitate public participation at the regional level. Both bodies include private and nonprofit sector representatives, with RDCs reviewing regional agency budgets and the RPMC monitoring implementation (IBP, 2024). The RPMC also runs the Extractive Industries Transparency Initiative (EITI) and holds forums to promote citizen engagement in revenue collection (IBP, 2024).

Contributed by: Pariyakorn (Mai) Kasemsawade

Recommendations

Below are recommendations to improve public availability as well as level of public disclosure and oversight that we have identified from the assessment:

Recommendations to Improve Public Availability

1. Timeliness of EBP Documents

The state government should make the availability of EBP documents such as the budget speech and estimates of revenue and expenditure on the same day the state executive tables the budget, before the budget is debated by the members of the state legislative assembly.

States that publish late or not at all, such as Kedah and Pahang would significantly improve their results by ensuring the timely availability of all EBP documents.

2. Availability of all EBP documents, particularly of Budget Estimates.

The state government should make the estimates of revenue and expenditures freely and readily available to the public online. This is the most significant component of the EBP and can inform the public on the details of state revenue and expenditure, as well as state spending priorities.

3. Expenditure Level of Detail

The state government should ensure that reporting on state expenditure is sufficiently detailed, and includes breakdowns relating to economic, administrative, and sectoral classification.

4. Revenue Level of Detail

The state government should ensure that reporting on state revenue is sufficiently detailed to improve the quality of information provided. As citizens are also becoming increasingly informed on climate change, detailed revenue estimates can show state government revenue from sources like forestry and mining due to their negative environmental impacts.

Recommendations to Improve Oversight

1. Increase the number of sitting days for state legislative assemblies

State legislative assemblies should increase the number of sitting days per session to allow for more time to effectively evaluate and monitor existing policy, and for more time to deliberate and examine the state budget.

2. Timely tabling of the EBP

The EBP should be tabled early, ideally at least 2 months before the end of the year, to allow to enough time for state representatives to examine and debate the budget.

3. Availability of Public Accounts Committee (PAC) records

Up-to-date and accessible information on the PAC, which are records of meetings and a list of current PAC members, should be made freely available to the general public.

4. Availability of Hansards and Session Schedules

Hansards record questions and debates in the state assembly. Public access to this information will allow for a greater degree of oversight with public involvement, as well as greater awareness of state programs, initiatives being discussed in the state legislative assembly, and the state budget process.

Recommendations to Improve Public Participation

1. Provide avenues for the public to comment on budget priorities

The state government should provide an avenue, ideally through an online form or website, that allows the public to comment on their budget priorities and what they hope to see in the upcoming state budget.

2. Public forums and meetings

The state government should hold public meetings and forums to provide information on the upcoming state budget and facilitate dialogue for stakeholders to provide their views on the budget. This can be complemented by having online avenues for the public to provide proposals on the budget.

3. Provide mechanisms for public participation during budget implementation

The state government should provide mechanisms that allow the public to comment and provide input during the implementation of the state budget. This is to ensure that the public is able to demand for accountability should there be misappropriation or misuse of public funds.

4. State Select Committees

State legislatures could play a more active role by forming select committees with the power to summon state civil servants and convene hearings with citizens and civil society invited to provide feedback.

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Annex

Timeline of the MyOBI Assessment

Activity	Date
Training researchers	October 2023
Researchers search for available documents and information to complete assessment	December 2023
Written requests sent to state governments for non-available documents and notify them on impending review	December 2023 - January 2024
IDEAS provided feedback on researchers questions to ensure accuracy of sources and comments	January 2024
IDEAS checked completed questionnaires before peer review process	January 2024
Completed assessments are reviewed by independent peer reviews	February 2024
IDEAS checks the peer-reviewed results and consults with researchers should answers differ	March 2024
IDEAS finalises the scoring for all states	May 2024



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