Module 4: Expenditure Data Validation

Objectives of the Training

National Accounts Framework and Classification

Expenditure Data Compilation

Compilation of Expenditure Data during the Pandemic

Expenditure Data Validation

Objectives of **Module 4:** Expenditure Data Validation

➡️ **Expenditure Data Validation Stages**

➡️ **Components of each Validation Stage**

Expenditure Data Validation Stages

- After the detailed expenditure values for each basic heading are collected, they need to be **validated** to **ensure** <u>accuracy</u> and <u>consistency</u> of data <u>within the country</u>, <u>within the region</u> and <u>across the regions</u>.

- Since PPP is a relative measure to another country, **data consistency across countries is critical for accurate results.**

Expenditure Data Validation Stages (cont'd)

In order to ensure consistency, Expenditure Data Validation requires _3 stages:_

1

Intra-Country (National) Validation

- To ensure data accuracy and consistency **within the country**
- By National Implementing Agencies

2

Inter-Country (Regional) Validation

- To ensure data accuracy and consistency **within the region**
- By National and Regional Implementing Agencies

3

Global Validation

- To ensure data accuracy and consistency **across the countries and regions**
- By National, Regional and Global Implementing Agencies

Components of each Validation Stage

1 **Intra-Country (National) Validation**

Each National Implementing Agency can adopt to its own validation process to evaluate expenditures and relevant metadata. *3 main types* of checks are recommended:

SNA Compliance

- conducting data completeness checks (to check if nonzero values are indeed nonzero)
- conducting basic arithmetic checks
- checking any negative value
- checking the allocation of net expenditures

Price Validation

- implementing price tracking for major products
- verifying average price changes from previous years
- checking the consistency of price level indexes across basic headings within a country

Economic Validation

- verifying per capita basic heading expenditures
- verifying basic heading shares of GDP

Components of each Validation Stage

2 **Inter-Country (Regional) Validation**

The aim of the regional validation is to compare the consistency of data from similar countries within a region.

Repeat National Validation

Identify Clusters of Countries Using Economically-based and Regionally Agreed-upon Criteria

Compare and Conduct Validation Among Countries in Each Cluster:

- Share of GDP
- Per Capita Real Expenditures
- Price Level Indices (PLIs)
- Temporal Analysis

Components of each Validation Stage

3

Global Validation   Last step of validation occurs at the Global Level

Repeat National Validation

Repeat Regional Validation

Conduct Global Validation between Countries and Regions

- Global Validation is an iterative process
- The 3-level validation is repeated until the expenditure date is complete and sound for all basic headings

Quiz Time

- Expenditure data validation requires several stages:
  - *Identify* and *Name* these stages
  - *State* the Purpose of each stage

1	**Intra-Country (National) Validation**	• To ensure data accuracy and consistency **within the country**
2	**Inter-Country (Regional) Validation**	• To ensure data accuracy and consistency **within the region**
3	**Global Validation**	• To ensure data accuracy and consistency **across the countries and regions**

Thank You