Module 4: Expenditure Data Validation

Regional Training Workshop on the Compilation of Price Expenditure Weights and Guidelines for the Compilation of National Accounts Expenditure Data During the Pandemic Period

21-22 June 2021
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
After the detailed expenditure values for each basic heading are collected, they need to be validated to ensure accuracy and consistency of data within the country, within the region and across the regions.

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

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

### Intra-Country (National) Validation
- 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

### SNA Compliance
- 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

### Price Validation
- Verifying per capita basic heading expenditures
- Verifying basic heading shares of GDP

### Economic 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**