Government Audits and the Implementation of Transparency Policies

Guillermo Lezama

Applied Micro Brown Bag

October 18, 2021

Motivation I

- Government transparency means more information to voters. But also,
  - Provision of public services (Gavazza & Lizzeri, 2007)
  - Information to firms (Colonnelli & Prem, 2020)
  - Corruption

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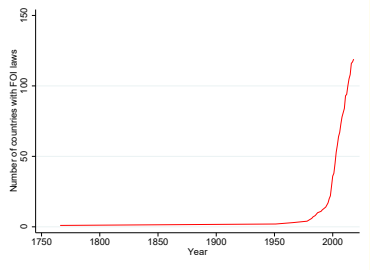
  - Corruption
- Worldwide trend towards increasing the levels of governments' openness.



Source: Own ellaboration. Data from freedominfo.org

How can we foster the implementation of Access to Information Laws?

Introduction

- Gap in literature about the determinants of implementing transparency policies.
- I focus on a determinant of the implementation of these laws
- Audits have worked on multiple dimensions (Corruption: Avis, Ferraz, and Finan (2018))

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Do federal government audits increase the probability of implementing the Access to Information Law in municipalities?

Case Selection

Why Brazil?

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- Concerns about corruption

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- Decrease in trust to the government
- Concerns about corruption
- Brazil is very decentralized

Short version of this talk

- Federal Government agencies have pushed to improve governance in Municipalities.
  - Audits
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Short version of this talk

- Federal Government agencies have pushed to improve governance in Municipalities.
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  - Rankings about compliance to the Access to Information Law
- Following Avis et al. (2018) strategy I find
  - a positive effect of being previously audited on publishing instructions about how to access to public information
  - effect is not observed after the first ranking was published

Related work and Hypothesis

- Causes of enacting transparency/FOI laws (Berliner & Erlich, 2015)

- Effects of audits
  - Corruption (Avis et al., 2018)
  - Firms (Colonnelli & Prem, 2020)
  - Bureaucracy quality (Lauletta, Rossi, & Ruzzier, 2020)
  - Audit Probability on Rent Extraction (no in Health Services) (Zamboni & Litschig, 2018)

Hypothesis:

Audited Municipalities are more likely to implement the Access to Information Law than municipalities that were not audited before by the federal government.

Brazilian FOIA

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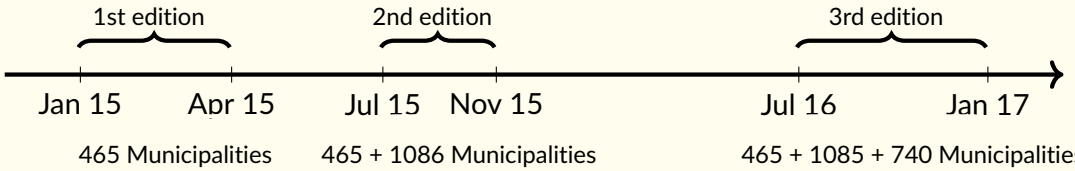
- The law mandated the Municipalities to publish certain minimum information on their websites.
- Municipalities were responsible for implementing this reform by enacting local regulations that guarantee public information access
- Enforcement of the law is not guaranteed, and it has been weak (Michener & Nichter, 2020)

Measuring Transparency

- *Controladoria-Geral da União* (CGU) developed a program (*Escala Brasil Transparente*) (EBT) to measure the compliance with the law in local and state governments.
  1. Reviewers inspected municipalities' websites.
  2. They checked if the municipality had enacted any local regulation about how citizens could access public information.
  3. When it was possible, the reviewer completed 3 or 4 requests to access public information.
  4. The reviewer recorded the responses (or the lack of them).
  5. They ranked municipalities and assigned a grade (0 to 10). ▸ Consequences

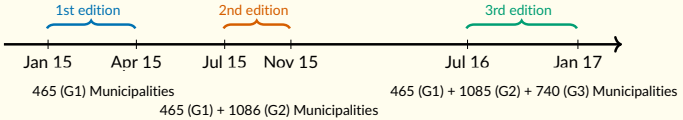
Measuring Transparency: Timeline



Data: EBT

- CGU's data from Escala Brasil Transparente contains information about how a set of Brazilian Municipalities complies with FOI law.

- Dependent variable ($Transparency_{mt}$): Whether the municipality published how to ask for public information.


1st edition
2nd edition
3rd edition
Jan 15
Apr 15
Jul 15
Nov 15
Jul 16
Jan 17
465 (G1) Municipalities
465 (G1) + 1086 (G2) Municipalities
465 (G1) + 1085 (G2) + 740 (G3) Municipalities

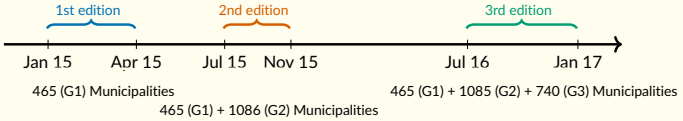
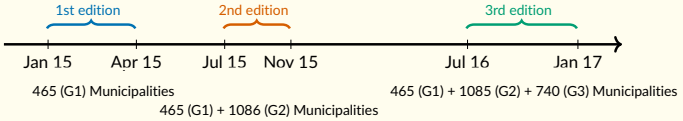


Table: Means of Adoption of Transparency Policies

	Mean	S.E. Mean	Observations
Edition 1, Group 1	0.33	0.02	465

Notes: This table shows the means and standard errors of the mean for the dependent variable: the adoption of transparency policies according to each round of reviews and the first time Escala Brasil Transparente reviewed the municipality. Capital cities and cities with a population higher than 500,000 were excluded.



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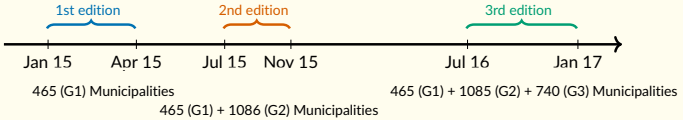

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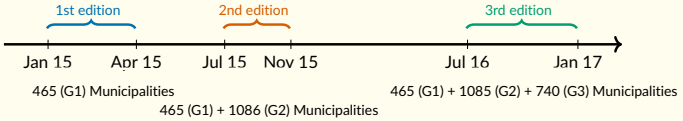

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Edition 3, Group 1	0.72	0.02	465

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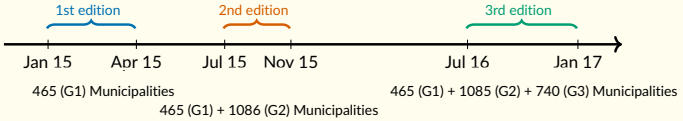

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Edition 3, Group 2	0.77	0.01	1085

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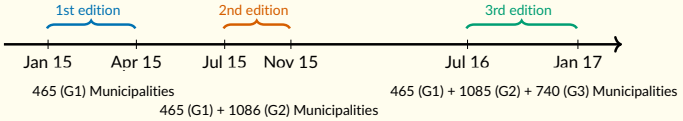

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Edition 3, Group 1	0.72	0.02	465
Edition 3, Group 2	0.77	0.01	1085
Edition 3, Group 3	0.79	0.02	740

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Data: Audits

- Audits
  - CGU has performed a randomized program of audits to control the use of public funds.
  - I use the audits made by CGU about the use of public funds (2009-2015) ($Audited_{mst}$)

- Other data
  - Data about municipal characteristics come from the Pesquisa de Informações Básicas Municipais - MUNIC (2011)(IBGE).
  - 2012 election data.

Empirical Strategy

- Few differences in the characteristics of places audited for a first time versus those that had been audited previously ▸ Means and Differences

- I estimate the following model

$$Transparency_{mst} = \alpha + \beta Audited_{mst} + \gamma Controls_{mst} + \nu_s + \varepsilon_{mst} \quad (1)$$

  - $Transparency_{mst}$ is the outcome variable in municipality m in state s
  - $Audited_{mst}$ is a binary variable
  - ν_s represents state fixed effects.
  - The vector $Controls_{mst}$ consists of a set of municipal and mayor characteristics

Results I: 1st Edition

Table: The Effects of the Audits on Commitment to Transparency

Dependent variable	**=1 if published ways to get public information**		
	OLS (1)	OLS (2)	Probit (3)
Audited in the past	0.139*	0.140*	0.499*
	[0.061]	[0.064]	[0.224]
Observations	465	430	361
R-sq	0.316	0.382	
Edition	1	1	1
Municipality Controls	No	Yes	Yes
Mayor Controls	No	Yes	Yes
Election Controls	No	Yes	Yes
State fixed effects	Yes	Yes	Yes

Notes: The dependent variable is a binary variable equal to 1 if the municipality shows how to ask for public information on its website. Robust standard errors are reported in brackets. $+ : p < 0.10, * : p < 0.05$

Results II: Each Group at Each Edition

Table: The Effects of the Audits on Commitment to Transparency for each Round and Group

Dependent variable	**=1 if published ways to get public information**				
	Edition 2, Group 1	Edition 3, Group 1	Edition 2, Group 2	Edition 3, Group 2	Edition 3, Group 3
	OLS (1)	OLS (2)	OLS (3)	OLS (4)	OLS (5)
Audited in the past	0.007	-0.067	0.047	-0.009	0.016
	[0.065]	[0.065]	[0.039]	[0.036]	[0.047]
Observations	430	430	978	977	675
R-sq	0.385	0.296	0.323	0.185	0.186
Municipality Controls	Yes	Yes	Yes	Yes	Yes
Mayor Controls	Yes	Yes	Yes	Yes	Yes
Election Controls	Yes	Yes	Yes	Yes	Yes
State fixed effects	Yes	Yes	Yes	Yes	Yes

Notes: The dependent variable is a binary variable equal to 1 if the municipality shows how to ask for public information on its website. Robust standard errors are reported in brackets. $+ : p < 0.10, * : p < 0.05$

Robustness Checks

- No results on holding databases on Health and Municipality Workers ▸ Results
- Results robust to geographical spillovers of the audits ▸ Results
- Switching municipalities are balanced ▸ Results

After 1st Edition (preliminary)

- Is EBT having any effect for rounds 2 and 3? Preliminary results: No. ▸ Results

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- Is EBT having any effect for rounds 2 and 3? Preliminary results: No. ▸ Results
- Are there any effects of audits and EBT on the number of questions answered?

Final Remarks I

Implications:

- External monitoring that “opens” the local government to other branches is helpful to make the government disclose information voluntarily.

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Final Remarks I

Implications:

- External monitoring that “opens” the local government to other branches is helpful to make the government disclose information voluntarily.
- First result consistent with previous literature about the effects of monitoring on multiple outcomes of government activities.
- The effects of audits disappear after that first edition.

Final Remarks II

Next:

- Which are the mechanisms at work?

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Final Remarks II

Next:

- Which are the mechanisms at work?
- Are the publication of the rankings and grades' effects substituting the effects of audits?
- Could audits and rankings have an effect on other outcomes for later rounds?

Thank you!

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References I

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Measuring Transparency: Consequences

Transparency: 95% of the analyzed cities in Piauí had a 0 grade

Measuring Transparency: Consequences

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SP leads for the third time in the CGU's EBT

Back

Balance

Table: Mean Comparisons between Audited and Non-Audited Municipalities

	Not Audited		Audited			
Municipality Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Population (log)	9.373	1.087	9.429	1.080	0.000	.031
% Urban	0.637	0.220	0.625	0.213	0.000	.0011
% Illiterate	85.396	8.872	83.746	9.109	0.000	0.28
HDI	0.660	0.071	0.646	0.072	0.000	0.0016
Gini	0.501	0.066	0.509	0.063	0.000	0.00051
Income (log)	9.190	0.697	9.046	0.666	0.000	0.040
AM Radio	0.209	0.406	0.196	0.397	0.000	.027
% Female	0.495	0.016	0.495	0.015	0.000	.00091
% Poverty	0.229	0.178	0.263	0.182	0.000	0.00014
% w/ College	0.055	0.031	0.051	0.029	0.000	.00089
% Bureacrats w/ College	0.307	0.114	0.297	0.112	0.000	.0077
North Region	0.076	0.266	0.105	0.307	.	.
Northeast Region	0.313	0.464	0.397	0.490	.	.
Central-West Region	0.083	0.276	0.087	0.282	.	.
Southeast region	0.305	0.460	0.254	0.435	.	.
South	0.223	0.416	0.157	0.364	.	.

Notes: This table shows the means and standard deviations of different variables for municipalities audited in the past (Audited) and municipalities not audited in the past (Not Audited). The difference and corresponding standard error are computed based on a regression that controls for both state and transparency evaluation round fixed effects.

Balance: Mayor

Table: Mean Comparisons between Audited and Non-Audited Municipalities

	Not Audited		Audited			
Mayor's Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
=1 Female Mayor	0.116	0.320	0.131	0.338	-0.000758	0.020
Mayor's age	48.269	17.161	47.825	10.184	-0.155	0.589
=1 Mayor w/ College	0.547	0.498	0.555	0.497	0.00275	0.030
=1 PT (Mayor's party)	0.116	0.320	0.102	0.303	0.0189	0.020
=1 PSDB (Mayor's party)	0.128	0.334	0.112	0.315	-0.00597	0.018
=1 DEM (Mayor's party)	0.050	0.219	0.048	0.215	-0.00214	0.012
=1 PMDB (Mayor's party)	0.182	0.386	0.190	0.392	-0.00286	0.022
=1 Same party as Governor	0.183	0.387	0.179	0.383	-0.0327	0.022

Notes: This table shows the means and standard deviations of different variables for municipalities audited in the past (Audited) and municipalities not audited in the past (Not Audited). The difference and corresponding standard error are computed based on a regression that controls for both state and transparency evaluation round fixed effects.

Balance: Electoral

Table: Mean Comparisons between Audited and Non-Audited Municipalities

	Not Audited		Audited			
Electoral Results	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Number of Candidates (mayor)	2.718	1.080	2.773	1.087	0.0551	0.063
% of Council in Party's mayor	0.215	0.147	0.218	0.147	0.00380	0.008
% Vote Mayor	0.555	0.127	0.557	0.126	0.00273	0.007
% Vote Margin Mayor	0.156	0.178	0.164	0.184	0.00588	0.011
Number of Parties in Council	3.557	1.544	3.603	1.676	-0.0817	0.093
Votes per Legislator	0.184	0.138	0.179	0.137	-0.00146	0.007

Notes: This table shows the means and standard deviations of different variables for municipalities audited in the past (Audited) and municipalities not audited in the past (Not Audited). The difference and corresponding standard error are computed based on a regression that controls for both state and transparency evaluation round fixed effects.

▸ Back

Balance: 1st Edition

Table: Mean Comparisons between Audited and Non-Audited Municipalities

	Not Audited		Audited			
Municipality Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Population (log)	9.052	0.814	9.278	0.790	0.188+	0.099
% Urban	0.613	0.209	0.604	0.217	-0.00451	0.027
% Illiterate	84.467	8.988	83.720	8.563	-0.196	0.555
HDI	0.652	0.069	0.649	0.071	0.00238	0.005
Gini	0.492	0.067	0.499	0.055	0.00122	0.006
Income (log)	9.149	0.669	9.097	0.719	0.000424	0.071
AM Radio	0.124	0.330	0.182	0.389	0.0850+	0.052
% Female	0.493	0.015	0.493	0.015	0.00247	0.002
% Poverty	0.235	0.180	0.244	0.180	-0.00500	0.013
% w/ College	0.050	0.024	0.050	0.022	0.00269	0.002
% Bureacrats w/ College	0.301	0.105	0.283	0.122	-0.00149	0.016
North Region	0.081	0.274	0.109	0.315	.	.
Northeast Region	0.318	0.466	0.327	0.474	.	.
Central-West Region	0.076	0.266	0.145	0.356	.	.
Southeast region	0.291	0.455	0.291	0.458	.	.
South	0.234	0.424	0.127	0.336	.	.
Mayor's Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
=1 Female Mayor	0.116	0.321	0.109	0.315	-0.0111	0.046
Mayor's age	47.595	10.663	48.673	9.017	1.019	1.350
=1 Mayor w/ College	0.505	0.501	0.455	0.503	-0.0371	0.074
=1 PT (Mayor's party)	0.105	0.307	0.127	0.336	0.0375	0.049
=1 PSDB (Mayor's party)	0.100	0.300	0.055	0.229	-0.0375	0.035
=1 DEM (Mayor's party)	0.063	0.244	0.091	0.290	0.0306	0.041
=1 PMDB (Mayor's party)	0.183	0.387	0.273	0.449	0.0976	0.063
=1 Same party as Governor	0.156	0.363	0.127	0.336	-0.0334	0.049
Electoral Results	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Number of Candidates (mayor)	2.520	0.879	2.673	0.840	0.166	0.116
% of Council in Party's mayor	0.225	0.154	0.199	0.117	-0.0183	0.019
% Vote Mayor	0.563	0.134	0.585	0.141	0.0194	0.020
% Vote Margin Mayor	0.157	0.184	0.196	0.234	0.0302	0.033
Number of Parties in Council	3.327	1.404	3.491	1.328	0.0355	0.197
Votes per Legislator	0.211	0.140	0.181	0.132	-0.0241	0.019
Number of Observations	410		55			

Standard errors in brackets. + p¡0.10 * p¡0.05

Balance: 2nd Edition

Table: Mean Comparisons between Audited and Non-Audited Municipalities

	Not Audited		Audited			
Municipality Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Population (log)	9.515	1.124	9.665	1.122	0.0394	0.086
% Urban	0.632	0.221	0.615	0.216	0.00599	0.016
% Illiterate	84.492	9.103	81.555	9.381	-0.317	0.416
HDI	0.652	0.072	0.629	0.066	-0.00225	0.003
Gini	0.515	0.068	0.524	0.059	-0.00289	0.004
Income (log)	9.157	0.695	8.932	0.597	-0.0628+	0.032
AM Radio	0.211	0.408	0.211	0.409	0.0138	0.034
% Female	0.494	0.016	0.496	0.014	0.00101	0.001
% Poverty	0.256	0.183	0.309	0.174	0.000695	0.008
% w/ College	0.054	0.032	0.048	0.026	0.000280	0.002
% Bureacrats w/ College	0.306	0.115	0.303	0.114	0.0115	0.009
North Region	0.153	0.361	0.163	0.370	.	.
Northeast Region	0.353	0.478	0.512	0.501	.	.
Central-West Region	0.111	0.314	0.122	0.328	.	.
Southeast region	0.207	0.405	0.122	0.328	.	.
South	0.176	0.381	0.081	0.274	.	.
Mayor's Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
=1 Female Mayor	0.107	0.309	0.157	0.365	0.0385	0.031
Mayor's age	47.967	10.075	47.070	10.194	-0.675	0.851
=1 Mayor w/ College	0.536	0.499	0.552	0.499	0.0138	0.042
=1 PT (Mayor's party)	0.123	0.329	0.126	0.332	0.00423	0.028
=1 PSDB (Mayor's party)	0.114	0.318	0.120	0.326	0.00944	0.027
=1 DEM (Mayor's party)	0.035	0.184	0.011	0.107	-0.0207+	0.011
=1 PMDB (Mayor's party)	0.193	0.395	0.183	0.388	-0.000422	0.032
=1 Same party as Governor	0.196	0.397	0.177	0.383	-0.0172	0.032
Electoral Results	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Number of Candidates (mayor)	2.842	1.199	2.920	1.215	0.0568	0.097
% of Council in Party's mayor	0.208	0.152	0.202	0.142	0.00178	0.012
% Vote Mayor	0.557	0.133	0.543	0.115	-0.0121	0.010
% Vote Margin Mayor	0.163	0.188	0.154	0.168	-0.0104	0.014
Number of Parties in Council	3.719	1.669	3.803	1.837	-0.0790	0.146
Votes per Legislator	0.171	0.137	0.152	0.114	-0.000257	0.009
Number of Observations	910		175			

Standard errors in brackets. + p¡0.10 * p¡0.05

Balance: 3rd Edition

Table: Mean Comparisons between Audited and Non-Audited Municipalities

	Not Audited		Audited			
Municipality Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Population (log)	9.452	1.080	9.515	1.054	-0.0422	0.102
% Urban	0.629	0.211	0.621	0.222	0.00774	0.020
% Illiterate	84.085	9.187	82.981	9.153	0.0454	0.542
HDI	0.650	0.071	0.637	0.076	-0.000767	0.004
Gini	0.512	0.064	0.526	0.075	0.000241	0.006
Income (log)	9.114	0.679	9.015	0.712	-0.0285	0.047
AM Radio	0.220	0.415	0.240	0.429	0.0372	0.046
% Female	0.495	0.014	0.495	0.015	0.000511	0.001
% Poverty	0.259	0.181	0.290	0.192	-0.00248	0.009
% w/ College	0.053	0.029	0.051	0.030	0.00240	0.002
% Bureacrats w/ College	0.303	0.120	0.298	0.126	0.0117	0.012
North Region	0.116	0.320	0.157	0.365	.	.
Northeast Region	0.379	0.485	0.422	0.496	.	.
Central-West Region	0.109	0.312	0.088	0.285	.	.
Southeast region	0.200	0.400	0.186	0.391	.	.
South	0.197	0.398	0.147	0.356	.	.
Mayor's Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
=1 Female Mayor	0.122	0.328	0.069	0.254	-0.0653*	0.031
Mayor's age	47.479	9.679	47.118	9.627	-0.137	1.066
=1 Mayor w/ College	0.561	0.497	0.549	0.500	-0.00646	0.055
=1 PT (Mayor's party)	0.116	0.321	0.154	0.363	0.0281	0.035
=1 PSDB (Mayor's party)	0.113	0.317	0.096	0.296	-0.00550	0.034
=1 DEM (Mayor's party)	0.052	0.222	0.058	0.234	0.0147	0.025
=1 PMDB (Mayor's party)	0.184	0.388	0.115	0.321	-0.0589	0.036
=1 Same party as Governor	0.176	0.381	0.144	0.353	-0.0452	0.041
Electoral Results	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Number of Candidates (mayor)	2.752	1.086	2.885	1.082	0.0367	0.116
% of Council in Party's mayor	0.208	0.141	0.221	0.139	0.0192	0.014
% Vote Mayor	0.546	0.123	0.557	0.141	0.0156	0.015
% Vote Margin Mayor	0.149	0.175	0.166	0.191	0.0145	0.021
Number of Parties in Council	3.624	1.574	3.548	1.375	-0.0959	0.148
Votes per Legislator	0.174	0.135	0.169	0.131	0.0111	0.013
Number of Observations	636.000	0.000	104.000	0.000		

Standard errors in brackets. + p¡0.10 * p¡0.05

Robustness Check: Switching Municipalities Balance

Table: Effect of Audits on Switching from Transparent to Not-Transparent

Dependent variable	**=1 if they switched**	
	Edition 1	Edition 2
	OLS	OLS
	(1)	(2)
Audited in the past	0.067	0.052
	[0.085]	[0.034]
Observations	155	715
R-sq	0.489	0.121
State fixed effects	Yes	Yes

Notes: The dependent variable is a binary variable equal to 1 if the municipality shows how to ask for public information on its website at a specific time, but after that measurement, changes that. $+$: $p < 0.10$, $*$: $p < 0.05$

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Robustness Check: Switching Municipalities Driving the Results

Table: The Effects of the Audits on Commitment to Transparency without Switching Municipalities

Dependent variable	**=1 if published ways to get public information**	
	Edition 1, Group 1	Edition 2, Group 1
	OLS	OLS
Audited in the past	0.112+	0.027
	[0.066]	[0.067]
Observations	402	411
R-sq	0.432	0.406
Municipality Controls	Yes	Yes
Mayor Controls	Yes	Yes
Election Controls	Yes	Yes
State fixed effects	Yes	Yes

Notes: The dependent variable is a binary variable equal to 1 if the municipality shows how to ask for public information on its website. Municipalities that show to be transparent and one round and change to not transparent on a subsequent one are excluded from the sample. $+ : p < 0.10, * : p < 0.05$

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Robustness Check: Geographical Spillovers

Table: Spillover Effects of neighbouring audits on Commitment to Transparency

Dependent variable	**=1 if published ways to get public information**					
	Edition 1, Group 1 (1)	Edition 2, Group 1 (2)	Edition 3, Group 1 (3)	Edition 2, Group 2 (4)	Edition 3, Group 2 (5)	Edition 3, Group 3 (6)
Audited in the past	0.153*	0.018	-0.062	0.043	-0.004	0.015
	[0.067]	[0.068]	[0.067]	[0.039]	[0.036]	[0.047]
Neighbors Audited	0.024	0.025	0.016	-0.000	0.003	0.012
	[0.025]	[0.027]	[0.027]	[0.017]	[0.016]	[0.020]
Observations	430	430	430	978	977	675
R-sq	0.391	0.405	0.302	0.332	0.192	0.199
Municipality Controls	Yes	Yes	Yes	Yes	Yes	Yes
Mayor Controls	Yes	Yes	Yes	Yes	Yes	Yes
Election Controls	Yes	Yes	Yes	Yes	Yes	Yes
State fixed effects	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The dependent variable is a binary variable equal to 1 if the municipality shows how to ask for public information on its website. In cols. 2 and 3, I control for indicator variables for the total number of neighbors. $+ : p < 0.10, * : p < 0.05$

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The effects on holding Databases

Table: The Effects of audits on holding Databases

Dependent Variable	**Health**		**Workers**	
	(1)	(2)	(3)	(4)
Audited in the Past	-0.053	0.031	-0.085	-0.014
	[0.077]	[0.026]	[0.061]	[0.022]
Observations	415	2027	415	2027
R-sq	0.197	0.074	0.237	0.083
Editions	1	1, 2, 3	1	1, 2, 3
Municipality Controls	Yes	Yes	Yes	Yes
Mayor Controls	Yes	Yes	Yes	Yes
Election Controls	Yes	Yes	Yes	Yes
State fixed effects	Yes	Yes	Yes	Yes
Round Fixed Effects		Yes		Yes

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Balance on EBT: Municipal Characteristics

Table: Mean Comparisons between Audited and Non-Audited Municipalities

	Not Evaluated by EBT		Evaluated by EBT			
Municipality Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Population (log)	9.35	1.10	9.42	1.07	-0.0134	0.013
% Urban	0.64	0.22	0.63	0.22	0.00574	.0057
% Illiterate	85.96	8.68	84.07	9.14	0.0417	.041
HDI	0.66	0.07	0.65	0.07	0.000641	.00064
Gini	0.50	0.06	0.51	0.07	-0.00215	0.0021
Income (log)	9.21	0.70	9.12	0.68	-0.000671	0.00067
AM Radio	0.21	0.41	0.20	0.40	-0.00781	0.0078
% Female	0.50	0.02	0.49	0.02	-0.0000544	0.000054
% Poverty	0.22	0.17	0.26	0.18	-0.00349	0.0034
% w/ College	0.06	0.03	0.05	0.03	-0.0000281	0.000028
% Bureacrats w/ College	0.31	0.11	0.30	0.12	-0.000529	0.00052
North Region	0.05	0.21	0.13	0.34	0	.
Northeast Region	0.29	0.45	0.37	0.48	0	.
Central-West Region	0.07	0.25	0.11	0.31	0	.
Southeast region	0.36	0.48	0.21	0.41	0	.
South	0.24	0.42	0.18	0.39	0	.

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Balance on EBT: Mayor Characteristics

Table: Mean Comparisons between Audited and Non-Audited Municipalities

	Not Evaluated by EBT		Evaluated by EBT			
Mayor's Characteristics	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
=1 Female Mayor	0.12	0.32	0.11	0.32	-0.0178+	0.0178
Mayor's age	48.59	19.69	47.67	10.03	-0.276	0.27
=1 Mayor w/ College	0.56	0.50	0.54	0.50	-0.0155	0.015
=1 PT (Mayor's party)	0.11	0.31	0.12	0.32	0.0222*	.0222
=1 PSDB (Mayor's party)	0.14	0.34	0.11	0.31	-0.0109	0.010
=1 DEM (Mayor's party)	0.05	0.23	0.05	0.21	-0.00479	0.0047
=1 PMDB (Mayor's party)	0.18	0.39	0.19	0.39	-0.00979	0.0097
=1 Same party as Governor	0.19	0.39	0.18	0.38	-0.00660	0.0066

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Balance on EBT: Political Characteristics

Table: Mean Comparisons between EBT and Non-EBT Municipalities

	Not Evaluated by EBT		Evaluated by EBT			
Electoral Results	**Mean**	**S.D.**	**Mean**	**S.D.**	**Difference**	**S.D.**
Number of Candidates (mayor)	2.70	1.06	2.76	1.11	0.00332	.0033
% of Council in Party's mayor	0.22	0.15	0.21	0.15	0.00303	.0030
% Vote Mayor	0.56	0.12	0.55	0.13	0.00514	.0051
% Vote Margin Mayor	0.16	0.17	0.16	0.18	0.00625	.0062
Number of Parties in Council	3.53	1.54	3.62	1.60	-0.0894*	0.0894
Votes per Legislator	0.19	0.14	0.18	0.14	-0.00110	0.0011
Observations	3229		2291			

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Results: Effects of EBT

Table: The Effects of EBT on Commitment to Transparency

Dependent Variable	**=1 if published ways to get public information**			
	(1)	(2)	(3)	(4)
Ranked E1	0.002	-0.032	0.000	-0.032
	[0.026]	[0.024]	[0.026]	[0.024]
Ranked E2		-0.007		-0.007
		[0.020]		[0.020]
Observations	1408	2082	1408	2082
R-sq	0.301	0.157	0.302	0.158
Edition	1	1, 2, 3	1	1, 2, 3
Municipality Controls	Yes	Yes	Yes	Yes
Mayor Controls	Yes	Yes	Yes	Yes
Election Controls	Yes	Yes	Yes	Yes
State fixed effects	Yes	Yes	Yes	Yes
Neighbors	No	No	Yes	Yes

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Results: All editions pooled

Table: The Effects of the Audits on Commitment to Transparency

Dependent variable	**=1 if published ways to get public information**		
	OLS (1)	OLS (2)	Probit (3)
Audited in the past	0.032	0.045+	0.178*
	[0.026]	[0.027]	[0.090]
Observations	2290	2083	2079
R-sq	0.286	0.304	
Editions	1, 2 and 3	1, 2 and 3	1, 2 and 3
Municipality Controls	No	Yes	Yes
Mayor Controls	No	Yes	Yes
Election Controls	No	Yes	Yes
State fixed effects	Yes	Yes	Yes
Round Fixed Effects	Yes	Yes	Yes

Notes: The dependent variable is a binary variable equal to 1 if the municipality shows how to ask for public information on its website. Robust standard errors are reported in brackets. $+ : p < 0.10, * : p < 0.05$