

- The performance of the State in implementing Scheduled Caste Sub Plan is assessed regularly during the course of a Five Year Plan.

- Its performance in implementing Tribal Sub Plan is assessed regularly during the course of a Five Year Plan.

Negatives

- The State Plan documents do not provide extensive information on Women's Component Plan / Gender Budgeting.

- The State Government does not explain clearly the basis on which various departments are reporting allocations under Scheduled Caste Sub Plan and Tribal Sub Plan.

- All relevant stakeholders are not consulted in the preparation of Scheduled Caste Sub Plan during the process of formulation of Five Year Plan and Annual Plans of the State.

- All relevant stakeholders are not consulted in the preparation of Women's Component Plan during the process of formulation of Five Year Plan and Annual Plans of the State.

- The performance of the State in implementing Women's Component Plan is not assessed regularly during the course of a Five Year Plan.

(viii) Practices relating to Fiscal

Decentralisation is the eighth parameter of transparency in the State Budget, which examines whether the State Government follows relevant budgetary practices relating to devolution of funds to Panchayati Raj Institutions and urban local bodies. It emphasises the need for providing disaggregated information on devolution of funds from the State Budget to the rural and urban local bodies at different tiers. It also examines whether the budget documents provide information on the district-wise break-up of allocations and expenditures from the State Budget.



Positives

- The State Government has constituted the State Finance Commission but not at regular intervals over the last decade.

Negatives

- The State Government either does not present the Action Taken Report on the recommendations of the SFC to the legislature, or when it does, it is delayed by more than a year after the submission of the SFC Report.

- The executive holds consultations with representatives of

RLBs and ULBs during the process of State Budget formulation, but these consultations cover only a few of the subjects that are devolved to the local bodies.

- The budget documents do not provide disaggregated information on devolution of funds from the State Budget to the rural local bodies (RLBs) at different tiers.

- They do not provide disaggregated information on devolution of funds from the State Budget to the urban local bodies (ULBs) at different tiers.

- They do not provide information on the district-wise break up of allocations and expenditures from the State Budget.

Good Practices and Gaps in Budget Transparency in Andhra Pradesh

The assessment of transparency in the Budget of Andhra Pradesh has identified some good practices and also found a number of gaps in terms of ensuring public access to budget information that need to be addressed by the State Government. These are:

Good Practices

- Andhra Pradesh has initiated a number of efforts for providing budgetary information to its citizens with the help of Information Technology. State Budget documents are uploaded in the Government website on the very day budget is presented in the Legislative Assembly.

- In Andhra Pradesh, a cell has been set up at the district level for implementation of SCSP, with the Collector as Chairman and the Deputy Director as the Convenor. The Chief Planning officer is required to assist in the preparation of SCSP.

Gaps in Budget Transparency

- Information on outstanding liabilities of the State Government is not provided as per the format suggested by the Working Group on State Government Liabilities. Similarly, information on outstanding guarantees is not provided as per the format suggested by the Working Group.

- Public Account (particularly with regard to suspense accounts and remittances) needs to be made more transparent.

- The State Government has been lagging behind in implementing the recommendations of the State Finance Commission.

- The State Government should consider bringing out separate documents on district-wise breakup of budgetary allocations and expenditures.

- The State Government should bring out a Gender Budget Statement.

- There is a need for a detailed narrative on the expenditure priorities of the government in its budget documents.

Transparency in State Budgets in India Andhra Pradesh

Overall Score



Summary Scorecard on Budget Transparency in Selected States

Transparency Parameters	States									
	Andhra Pradesh	Assam	Chhattisgarh	Gujarat	Jharkhand	Madhya Pradesh	Maharashtra	Odisha	Rajasthan	Uttar Pradesh
	Average Transparency Score									
Availability of Budget Documents	68	67	65	87	72	68	65	68	80	64
Completeness of the Information	75	74	81	85	74	81	77	75	56	69
Facilitating Understanding and Interpretation of the Information	51	50	39	65	64	35	70	47	71	42
Timeliness of the Information	59	51	77	77	53	84	53	69	25	33
Audit and Performance Assessment	39	29	55	39	23	67	35	31	35	35
Scope for Legislative Scrutiny	50	55	43	55	38	62	41	60	36	36
Practices relating to Budgeting for Disadvantaged Sections	49	44	71	63	37	70	29	43	30	40
Practices relating to Fiscal Decentralisation	24	31	19	24	27	14	17	29	19	29
Overall Budget Transparency Score (in %)	51.8	50.1	56.1	61.7	48.4	60.2	48.3	52.6	44.0	43.5

Notion of Budget Transparency

Transparency in budgets can be interpreted as *public access to information on budgets*. The extent and quality of such access (to information) shapes public understanding of government decisions pertaining to budgets, determines the scope for public participation in budget processes and forms the foundation on which the government can be held answerable for budgets.

Scope of the Analysis

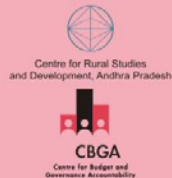
State-specific situations and factors should be taken into account in identifying the key parameters for assessing transparency in State Budgets in India. The present analysis

refers to a *set of transparency parameters (explained in the subsequent pages) that would necessarily be relevant for the Budgets of all States* though this set of parameters might not be adequate to capture all State-specific situations and factors.

The study emphasises the significance of the legislature, media and general public as key stakeholders and draws attention to budgetary strategies relating to disadvantaged sections of the population and budget practices pertaining to fiscal decentralisation.

A structured questionnaire was administered during the period August to December 2010 to collect the relevant information on the State Budget pertaining to the fiscal year 2009-10.

Study conducted by:



In collaboration with:

- Budget Analysis Rajasthan Centre, Rajasthan
- Centre for Youth and Social Development, Odisha
- Grameen Development Services, Uttar Pradesh
- Life Education and Development Support Trust, Jharkhand
- North East Network, Assam
- Pathay, Gujarat
- Samarthan, Maharashtra
- Sanket Development Group, Madhya Pradesh

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- Ford Foundation
- International Budget Partnership
- International Development Research Centre (Think Tank Initiative)
- Oxfam India

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Transparency in the State Budget of Andhra Pradesh

(i) Availability of Budget Documents / Reports / Statements

is the first parameter of budget transparency, which probes the availability of State Budget documents and other government documents related to the State Budget. Taking into account the Constitutional requirements as well as the requirements of planning, auditing, performance assessment, budgetary strategies for disadvantaged sections, and fiscal decentralisation, the analysis refers to a wide range of documents that need to be produced and made available to various stakeholders by the State Government for every fiscal year.



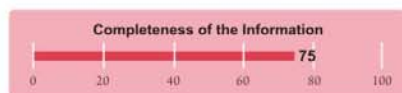
Positives

- The State Government brings out most of the relevant budget documents and prepares some of the documents for internal purposes.
- It does make some efforts to ensure that the budget related documents are available to the relevant stakeholders.

Negatives

- The State Government does not produce some of the documents, like, Budget Memorandum and Key to Budget Documents.
- It does not present any separate document or statement on Women's Component Plan or Gender Budgeting.
- It does not prepare any separate document outlining allocations for RLBs and ULBs.
- It does not bring out any mid-term appraisal of the Five Year Plan and the memoranda submitted to Finance Commission.
- The Government of AP does not produce evaluation reports on the budget.
- It needs to take additional measures to ensure distribution of all relevant documents related to the State Budget to the various stakeholders.

(ii) **Completeness of the Information** is the second parameter of budget transparency, and looks at whether the information given in the budget and other related documents provide a complete picture of the fiscal situation of the State. It examines whether the available documents capture different kinds of relevant information such as the magnitude and composition of tax revenue foregone due to tax exemptions; funds flowing from the Union Budget to the State that are routed outside the State Budget; budget allocations as well as audited figures of actual expenditure on the development schemes; submissions made by the State Government to the Union Government or central institutions (like the Planning Commission and Finance Commission); and information on the agreements/Memoranda of Understanding (MoUs) signed by the State Government with the Union Government or any other agency on matters pertaining to public finance.



Positives

- The budget documents provide complete information on government expenditures and receipts during the fiscal year 2009-10.
- It presents a detailed classification of government expenditures and receipts breaking it down in terms of administrative units as well as in terms of government functions.
- It makes available complete information about the outstanding debt as at the start and the end of the fiscal year 2009-10.
- It provides complete information on government expenditures and receipts during the fiscal year 2008-09 and beyond.
- It shares a detailed account of the financial assets held by the government.

The State Government produces all the statements that are required under the disclosure norms of the State's Fiscal Responsibility and Budget Management Act.

The budget documents present details of expenditures relating to maintenance and repair of capital assets.

Negatives

- The budget documents do not share extensive information on transfer of resources from the Union Government to the State for the fiscal year 2009-10.
- The budget documents do not provide information about the nature and composition of public debt with the relevant details.
- They do not share information on funds received by the State from the Union Government or external agencies, which are routed outside the State Treasury and hence not reflected in the State Budget.
- The budget documents do not share an account of the physical assets held by the government.
- They do not make available details of the liabilities of the State Government.
- They do not inform about the estimated amount of revenue foregone by the State.

(iii) **Facilitating Understanding and Interpretation of the Information**, as a transparency parameter, attempts to gauge whether the information provided by the State Government facilitates public understanding of its decisions relating to budgets. The questions pertaining to this parameter look at whether the budget documents help ordinary citizens to easily understand the budget proposals and whether these documents include any discussion of the relevant policy goals or priorities of the State Government.



Positives

- The information provided in some of the budget documents includes a discussion of the relevant policy goals or priorities of the State Government.

Negatives

- The budget documents that are produced and made available to the general public do not facilitate any appreciable understanding of the budget proposals.

- The information provided in several of the budget documents does not include any discussion of the relevant policy goals or priorities of the State Government.

(iv) **Timeliness of the Information** is the fourth parameter adopted for measuring budget transparency, which tries to assess whether the relevant documents are brought out in a timely manner. Some of the questions pertaining to this parameter also examine whether the State Treasury has been computerised and made available on the internet to enable easy access by the public.



Positives

- The executive adheres to the budget calendar in formulation of the State Budget.
- The State Government obtains legislature's approval for the supplementary budget in a timely manner.
- The State Treasury is linked to internet and detailed information on its receipts and disbursements are provided on a monthly basis.

Negatives

- The budget circular (for the next State Budget) is not made available to relevant stakeholders in a timely manner.
- The budget calendar (for the next State Budget) is not made available to relevant stakeholders in a timely manner.
- The reports of the Comptroller & Auditor General of India relating to the State Government, i.e. audit and accounts related reports, are not made available in a timely manner.

(v) **Audit and Performance Assessment** is the fifth parameter, which examines the availability of information pertaining to audit of the State Budget (by the Comptroller & Auditor General of India) and performance assessment by the State Government itself. The questions relating to this parameter try to gauge whether – the State Budgets are audited regularly; the State Budget provides audited figures or provisional figures for the year before the previous year; the State Government brings out performance assessment reports at regular intervals; and, the State Government is following relevant practices pertaining to Outcome Budgeting.



Positives

- The State Government makes an effort to provide relevant information on the final outcomes of government interventions for all those administrative departments that are required to track such information.

Negatives

- The State Government does not bring out assessment reports on the budget during the course of the year.
- The executive does not release to the public any report that discusses the actions taken by them to address the audit observations (i.e. critical observations made by the C & AG of India on the State Budget).

(vi) **Scope for Legislative Scrutiny** is the sixth parameter of budget transparency, which looks at the

possibilities for the State Legislature to assess the budget and hold the government accountable. The key concerns raised by this parameter include whether all budget documents are shared with the legislators; which of the budget documents of the State are subject to scrutiny by the legislators; how much time is available for discussion of the budget by the legislators; whether the legislators are informed about the agreements or MoUs signed by the State Government on matters pertaining to public finance; and, whether appropriate committees within the State Legislature (for looking into budgetary matters) are functioning regularly.



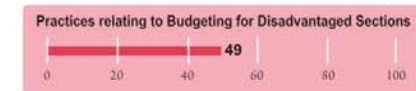
Positives

- The State Government provides budget documents to the legislators for scrutiny at least one month before the beginning of the next fiscal year.
- There are appropriate committees within the State legislature to look into the reports of the Comptroller & Auditor General of India relating to the State Government.
- The committees within the State legislature, which are meant to look into the reports of the C & AG of India, are functioning regularly.
- The executive seeks approval of the legislature before shifting funds between administrative units and functional heads during the course of the fiscal year.

Negatives

- There are no Departmentally Related Standing Committees in the State legislature to look into the details of the budgetary provisions for various departments.
- The State Government does not present to the legislature any document outlining the MoUs to be signed by the State.
- The executive does not hold consultations with the legislature on the memoranda / demands to be submitted by the State to Finance Commission and Planning Commission.
- The executive does not present to the legislature the internal assessment reports that are produced.

(vii) **Practices relating to Budgeting for Disadvantaged Sections**, the seventh parameter of budget transparency, draws attention to the need for every State Government to follow relevant practices relating to budgetary strategies for the development of disadvantaged sections of the population such as women (Gender Budgeting), Scheduled Castes (Scheduled Caste Sub Plan or SCSP) and Scheduled Tribes (Tribal Sub Plan or TSP).



Positives

- In the process of formulation of Five Year Plan and Annual Plans of the State, most of the relevant stakeholders are consulted in the preparation of Tribal Sub Plan.
- The State Government provides most of the information on Scheduled Caste Sub Plan and Tribal Sub Plan separately in the Annual Plan document. This also includes details of the government strategies and specific programmes for development of SCs and STs.