Online Treasury Portals Can Enhance Fiscal Transparency at the District Level: A Case from Chandrapur, Maharashtra

January 2020
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Designed by: How India Lives (www.howindialives.com)
Cover illustration: Vikram Nayak

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Public policy discourse emphasises on development through participatory governance. This paradigm was also included in the framework of Sustainable Development Goals (SDGs), where, along with other aspects of governance, world leaders committed to fiscal transparency and accountability. Effective citizen engagement in policy formulation is crucial to enhance budget transparency and strengthen accountability mechanisms, and is a hallmark of a vibrant democracy. However, this participation is constrained by timely availability and accessibility of relevant and reliable data in the public domain.

Budget information at all levels of governance—Union, state, district, sub-districts, and all the way down till the beneficiaries—must be made available on a real-time basis. Further, the available information should be easy to access and comprehend. Over the years, there has been steady progress towards increasing budget transparency in the country. The process of making budget data available in the public domain, however, needs to be further expedited and strengthened.

District Treasury: An Important Source of Budget Data

A robust budget information architecture is in place at the level of the Union government. However, as one goes down the administrative ladder, availability and accessibility of data diminishes. At the district level, the process of accessing even basic data on the expenditure budget is complicated, which impedes the scope to track and monitor public funds. There is no mechanism in place to obtain complete and relevant data on development schemes being implemented in a district.

Further, the present mechanism of fund flow to districts through the treasury route, or through implementing agencies at the level of districts and below, is complex. An interplay of numerous actors and institutions, instructions and guidelines, and channels of fund flow has been experienced. In this context, data provided by district treasuries proves useful for the public to participate in the fiscal policy discourse, particularly in understanding the priorities of public expenditure across sectors.

It is important to note that funds for a number of Centrally Sponsored Schemes (CSS) are routed through direct benefit transfers (DBT) or via implementing societies. However, about 75 percent of the total funds allocated to the district flow via the district treasury, making the treasury data important in deciphering fund flow and expenditures at the district level.

The Centre for Budget and Governance Accountability (CBGA), along with Tata Trusts, have undertaken a two-year research project, involving analysis of fund flow and utilisation in select development schemes across five districts in four states. In the course of this project, district treasury data proved to be an important source. We also noted that there are certain features that enhance the usability of this data which are documented in this note.

Indicators of a Well-Functioning District Treasury Data Management System: A Case of Chandrapur, Maharashtra

A sound public financial management system mandates that all budgetary information must be recorded by government officials at every level that receives and expends public funds. The district treasury was found to be an important source of information on financial transactions taking place at the district level. We looked at the relevance and timeliness of data provided by district treasuries in four states (Andhra Pradesh, Jharkhand, Maharashtra and Odisha). It was observed that Maharashtra treasury system is characterised by a number of better practices which enhance budget transparency.
1. Availability of data

In terms of availability of budget data at the district level, Chandrapur district treasury was one of the best within the group of districts studied under this project. District-wise budget data for Maharashtra can be seen on <https://koshwahini.mahakosh.gov.in>. This is a public portal which gives information on treasury-wise and district-wise payments and receipts. It also generates monthly and yearly management information system (MIS) reports. Data across various heads of expenditure is available since financial year 2015-16.

2. Real-time data availability

In an improvement over other states, the online treasury system in Maharashtra provides data on a real-time basis. This makes the data relevant for policy suggestions, facilitates citizen engagement, and improves governance by strengthening the oversight role of accountability agencies and institutions.

3. Ease of data access

Availability of data does not imply accessibility. To make data easily accessible by a large group of stakeholders, the Central and state governments have initiated several steps. Following a recommendation of the 13th Finance Commission, the Government of India granted Rs. 625 crore to states under the new e-treasury scheme in 2010-11, with the objective of bringing efficiency and transparency in public delivery systems, and promoting better financial management. In reference to this, the ease of information accessibility for Chandrapur was found to be better than other districts in the study.

4. Comprehensiveness of budget information

The lack of complete budget data is a major obstacle to people’s engagement with the budgetary process. In India, data on public finances is compiled regularly (to a large extent) and fully by the Union and state governments, but not so at the district and sub-district levels.

Budget data on schemes is collated in silos, and prepared only for monthly and quarterly performance reports. These formats do not capture complete information. Further, even if budget-related information is collated through these formats, they are only meant for internal use. The Chandrapur district treasury provides time-series data, which can be used to assess priorities of public expenditure. Yet, completeness of information remains an issue as resources flowing to districts through CSS are bypassing district treasuries and are not available in the public domain.

5. Openness / machine-readability

Budgetary data should be available in machine-readable formats that any user can easily process. Currently, the treasury data of Chandrapur is available in MS-Excel, a machine-readable format that lends itself to further processing. By comparison, other study states put out district treasury data either in PDF or HTML formats, which require technical treatment (data parsing) before the data can be made machine-readable.

6. Data disaggregation

Data in disaggregated form allows for meaningful analysis, especially by policymakers. Data must be disaggregated along a number of verticals: time, sector / scheme, geography and component. With respect to time, yearly, quarterly, monthly and even daily data must be provided by the public information system. Maharashtra treasury does provide access to such disaggregated data, which can easily be compiled for months and quarters of a financial year.

Notes from the Districts
Data should also be provided for different sectors. This aids in understanding a district’s priority areas in a particular financial year, and provides insights into the regular cost of running the administrative setup and expenditure under different programmes. Maharashtra state treasury provides expenditure up to the levels of object heads, which facilitates micro-level analysis of public expenditure.

The third aspect of data disaggregation is geographical distribution of public expenditure, which enables the public to analyse area-wise (districts, blocks) priority of public expenditure.

On all these counts, it is observed that Koshwahini, the online treasury management system (OTMS) of Maharashtra, is currently a better treasury web portal compared to other states under the study. Data is available, accessible, machine readable, real-time and fairly disaggregated.

**Way Forward: Action Points**

Koshwahini has considerable scope for improvement. The following are some action points to help it enhance its objective of budget transparency and people’s engagement in the process of fiscal discourse at the district and sub-district levels.

1. The treasury operation should facilitate comparative analysis of data across districts, under heads of budget receipts and expenditure, and years. This should be an inbuilt feature of the online treasury management system through appropriate designing of the district / state treasury dashboard. The finance department of the state should prepare the data dashboard and make it available in the public domain. Further, the system should generate MIS reports on various aspects of the district treasury operation so that comparability and consistency of data can be improved.

2. Towards increasing the usability of data, the treasury department of the state should provide a comprehensive manual, describing technicalities and processes used in treasury operations in simple steps. This would help the public use the available data, and also increase demand for data. This step, in turn, would improve the quality of discussion on budgets at the level of state and district, towards strengthening the processes of budget accountability.
Fiscal Governance Reforms at District Level for Improving Fund Flow and Utilisation in Development Schemes: Full List of Outputs

Policy Briefs

1. Extent of Fund Utilisation in Social Sector Schemes: Does It Conceal More Than It Reveals?
2. Factors Constraining Fund Utilisation in Social Sector Schemes: An Overview
3. Delay in Fund Flow: Consequences, Causes and Remedies
4. Fund Flow Mechanisms of Centrally Sponsored Schemes in Social Sectors
5. Availability and Capacity of Human Resources for Implementing Social Sector Schemes
6. Rigid Norms and Guidelines Affecting Utilisation of Funds in Social Sector Schemes
7. Strengthening Budget Information Architecture at the District Level

Notes from the Districts

2. Revolving Fund Mechanism Can Address Problems Relating to Delayed Fund Flow in Schemes: A Case from Krishna, Andhra Pradesh
3. Unspent Funds Utilised by Expanding Beneficiary Coverage: A Case from Balasore, Odisha
4. Coordination Among Multiple Agencies at the District Level Can Deliver Better Results: A Case from East Singhbhum, Jharkhand
5. Enhancing Transparency and Accountability through DISHA Committee Meetings: A Case from Bolangir, Odisha
6. Online Treasury Portals Can Enhance Fiscal Transparency at the District Level: A Case from Chandrapur, Maharashtra

Summary Report

Fiscal Governance Reforms at District Level for Improving Fund Flow and Utilisation in Development Scheme

All outputs are available at www.cbgaindia.org

To know more about Tata Trusts’ role and approach to district budgets, visit https://www.tatatrusts.org/our-work/digital-transformation/data-driven-governance
About the Project

CBGA and Tata Trusts have carried out a two-year project focusing on fiscal governance reforms needed at the district level to improve fund flow and utilisation in development schemes across sectors. It focused on 10 social sector schemes (viz. SSA, MDM, NHM, ICDS, SBM, NRDWP, MGNREGS, NSAP, PMAY, PMFBY) in five districts across four states: Balasore and Bolangir in Odisha, Chandrapur in Maharashtra, East Singhbhum in Jharkhand, and Krishna in Andhra Pradesh. The project assessed the pace of fund flow, and the extent and quality of fund utilisation in select development schemes in the five districts; it has generated a host of policy suggestions to improve planning and budgeting at the district level, and improve the processes of fund flow and utilisation in social sector schemes.

About CBGA

CBGA is an independent, non-profit policy research organisation based in New Delhi. It strives to inform public discourse through rigorous analysis of government budgets in India; it also tries to foster people’s participation on a range of policy issues by demystifying them.

For further information about CBGA’s work, please visit www.cbgaindia.org or write at: info@cbgaindia.org

About Tata Trusts

Since inception in 1892, Tata Trusts, India’s oldest philanthropic organisation, has played a pioneering role in bringing about an enduring difference in the lives of the communities it serves. Guided by the principles and the vision of proactive philanthropy of the Founder, Jamsetji Tata, the Trusts’ purpose is to catalyse development across various sectors. The Trust’s work on data driven governance focuses on “strengthening rural & urban decision making systems, and associated stakeholders to leverage data and technology and move towards a more informed and participatory approach to decision making, that supports improved development outcomes for all.”

For further information about Tata Trusts’ work, please visit www.tatatrusts.org or write at: talktous@tatatrusts.org