

Budget 2018-19

Kick-off Session

01st Dec, 2017

Finance Department
Government of Assam

Philosophy of Budget 2018-19



- Partnership with Departments
- Technology to support
- Budget Transparency to increase

Agenda

- ***Background: Public Finance Reforms***
- ***Rationale to Proposed changes: Budget 2018-19***
- ***Changes introduced: Budget 2018-19***
 - *Electronic Budget*
 - *Outcome & Sectoral Budgets*
 - *Other key procedural changes*
- ***Budget Review Meeting schedule***
- ***Support from Finance Department***

Background : Public Finance Reforms

Major Transformation in Public Finance Management in the last 20 months

- *End of Planning Commission and State to Plan & Prioritize*
- *Central Taxes devolution increased to 42% from 32%*
- *Restructuring & rationalization of Centrally Sponsored Schemes*
- *Plan, Non-Plan distinction removed; Expenditure classified as Revenue, Capital*

Reforms agenda being driven in Finance Department

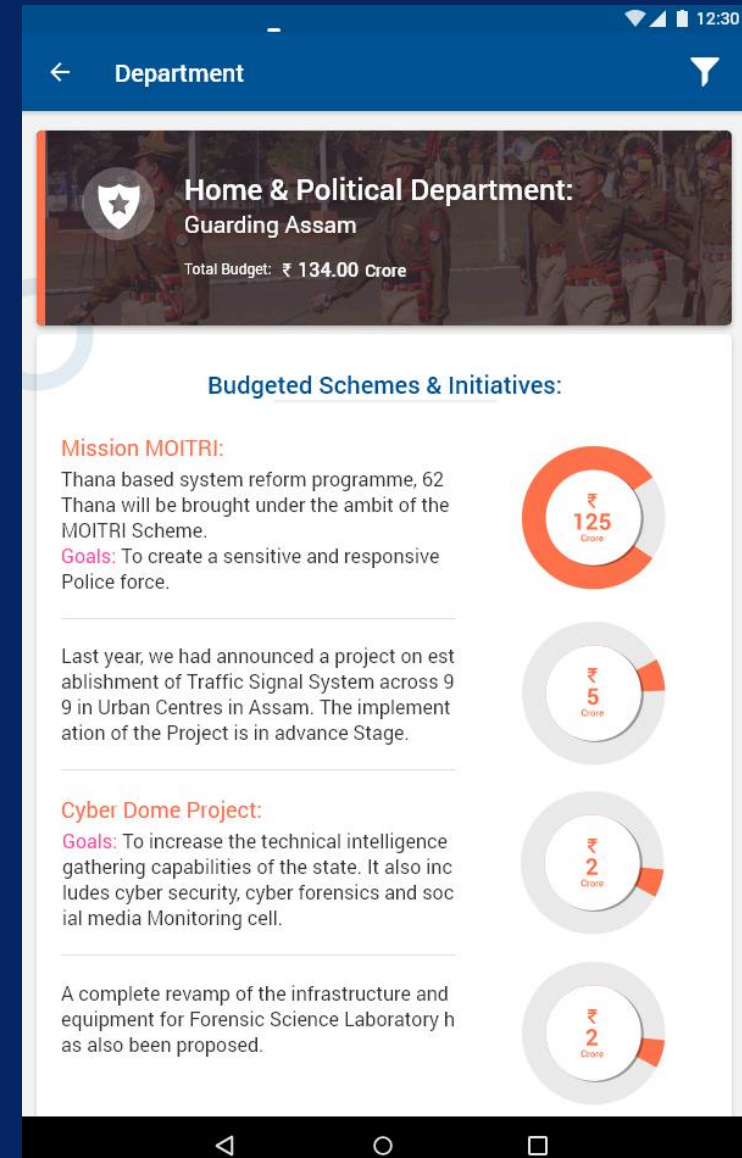
- *ReSTART Assam*
 - *Assam State Public Finance Institutional Reforms (ASPIRe) Project*
 - *Lead Externally Aided Projects (LEAP) Cell*
- *Assam Public Procurement Act, 2017 (Draft rules circulated to Departments)*
- *Online Budget Preparation & Distribution*
- *Online Ceiling Proposal to the DDOs*
- *Online Salary Bill (now covers almost 95% of DDOs)*
- *First Salary Module (now rolled out)*
- *Online Non-Salary Bills (now being piloted)*

Rationale to proposed changes: Budget 2018-19

- *In continuation with the efforts towards Public Finance reforms, we are introducing new initiatives in Budget 2018-19 aimed to:*
 - *‘**Reduce the Data-entry**’ effort at the HoD/ Department levels*
 - *‘**Limit the mis-classifications**’ of Receipt/ Expenditure Heads*
 - *‘**Shorten the Budget preparation**’ cycle-time*
 - *‘**Rationalize the Expenditure Heads**’ of Accounts*
 - *Capture the expenditure planned under ‘**Appropriate Budgetary classifications**’ (Gender) & bring Outcome focus to Budget (SDG)*
 - *Optimise use of ‘**Cash & Debt**’ by the State Government*
 - *Increase ‘**Budget Disclosures**’ as part of Transparency initiatives*
 - *Build ‘**Database of Key Assets**’ of the State*

Electronic Budget

- *Mobile App to be created for Budget 2018-19; can be subsequently extended for Expenditure monitoring*
- *Printing of Budget Books to be cut down*
- *Hon'ble MLAs, Senior Officers to be given pre-loaded tablets for the same*
- *Media, Departments to be given pre-loaded Pen-drives*
- *Citizens to download from Google Playstore, Apple Store*
- *Budget speech 'search function' to be enabled for Citizens to search for concerned topics, schemes (eg: Tea, Rural Infrastructure, Students etc.)*



Outcome Budget

Outcome Budget (Sustainable Development Goals)

- Outcome Budget aligned to SDGs, process of mapping specific Goal, Target to Head of Account improved over last year
- Supported by SDG Cell, Finance Department has trained 12 Departments in the revised mapping process
- Other Departments to be given training over the next couple of weeks



Sectoral Budget

Sectoral Budget

- In addition to **Gender** Budget, the State Government is introducing the concepts of **Child/ Girl Child** Budget, **Elderly** Budget and **Divyang** Budget
- Allocations under various schemes for the above categories should be clearly reflected in the budget document to improve transparency in public spending
- Facility created on FinAssam portal to specify the budget earmarked for the appropriate category, while submitting Expenditure
- Only **affirmative actions of the State/ Positive Discrimination** by the State should be earmarked under a particular category of Sectoral Budget

Note: Child is defined as being between 0-14 years of age

Sectoral Budget (Examples)

Case 1

Type: Exclusively meant for a particular category

Category: Divyangs

Example: Special ITIs for Divyangs,

Tagging: 100% of the Budget of the scheme under Divyang category

Case 2

Type: X% of the scheme mandatorily earmarked for a particular category

Category: Elderly

Example: Assuming PMAY(R) guidelines say 10% houses for Elderly

Tagging: 10% of the Budget of the scheme under Elderly category

Sectoral Budget (Examples)

Case 3

Type: Scheme where benefits given to multiple categories

Category: Benefits multiple categories

Example: Children Education Scholarship, where 50% for Girl children

Tagging: 100% under Child Budget, 50% under Girl Child Budget

Case 4

Type: Policy benefitting a particular category

Category: No specific budget, but a policy/ Law benefiting a particular category

Example: Assam Employees' Parent Responsibility and Norms for Accountability & Monitoring Act, 2017

Tagging: To be tagged in Budget Speech writing section on FinAssam

Sectoral Budget (Examples)

Case 5

Type: General Scheme where benefits given as per the ratio of population

Category: Benefits everyone

Example: National Urban Livelihood Mission, where Women, Divyang both probably benefit in the ratio of their population in the State

Tagging: **No tagging** of the Budget under any of the categories

Rationale: **Only positive discrimination** of State to be mapped. Also, in general schemes, it is not guaranteed that benefits will accrue in population ratio

Key changes introduced (1/7)

Reduce Data-entry efforts

- *All form, annexure, Budget Speech entry on FinAssam only*
- *2016-17 Actuals, 2017-18 RE pre-populated for HoDs, Departments*
- *"L Forms" of employees who draw Salaries under Detail Head "01" to be **auto-populated (except for Grants 76-78)** for DDOs to verify & approve (Online Salary Bill)*
 - *L forms under "02" by DDOs (Deadline: 12 December)*
 - *L forms under 31-GIA to be submitted by HoDs/ Depts*

Key changes introduced (2/7)

Press Enter to Search

Director General of Police, Budget Circular No.BB.404/2010/186--FY(2018-19)

Search HOA..

Budget Estimation - EE (Expenditure) For The Year 2018-19

Rs. In Lakhs

#	HOA	[Add New Head]	Actual Of 2016-16	Budget Estimate 2016-17	Last 7 Months Of Previous Year	Actual Exp. For 12 Months First 5 Months Of Current Year	Total	Revised Estimate 2016-17	Demand For 2017-18
1	Major Head 2055 Police Sub Major 00 NULL Minor Head 001 Direction And Administration Sub Head 0172 Head Quarters Establishment Sub Sub Head 000 NULL Detail Head 01 Salaries Sub Detail 01 Pay								
			555.68000	266.69000	181.02943	92.61078	273.64021	266.69000	270.00000
2	Major Head 2055 Police Sub Major 00 NULL Minor Head 001 Direction And Administration Sub Head 0172 Head Quarters Establishment Sub Sub Head 000 NULL								

Update

Key changes introduced (3/7)

Limiting mis-classifications

- ***Receipt Budget:*** System assisted controls limiting the use of Minor Head “800 – Others”, and the creation of Sub-Head, Sub-sub-Head for capturing detailed information on different types of revenues
- ***Expenditure Budget:*** Limiting use of Minor Head “800 – Others”, Detailed head “26-Other Charges” or Sub detailed head “99 –Others”
- System assisted controls for Revenue vs Capital & Establishment vs Development classifications (except 35- GIA for creation of Capital Assets)

Key changes introduced (4/7)

Rationalize the Expenditure Heads

- *Collaborate with the Departments/HoDs to rationalize the Budget Head of Accounts where no expenditure has been recorded (>5000 Detail Heads)*
- *System assisted controls to justify increase in Budget against a HoA of >10% over 2017-18 Revised Estimates*

Optimise use of 'Cash & Debt' by the State Government

- *Arrears in Revenue collection along with the Collection Plan*
- *Quarter-wise Expenditure Plan against each Head of Account*

Key changes introduced (5/7)

Appropriate Budgetary classifications

- *As part of Budget Preparation efforts, expenditure to be automatically classified, under Establishment/ Development, Revenue/Capital categories*
- *Secretariat level expenditure (Non-Salary) for all administrative departments shall be reflected under the demand for grants of the respective departments*



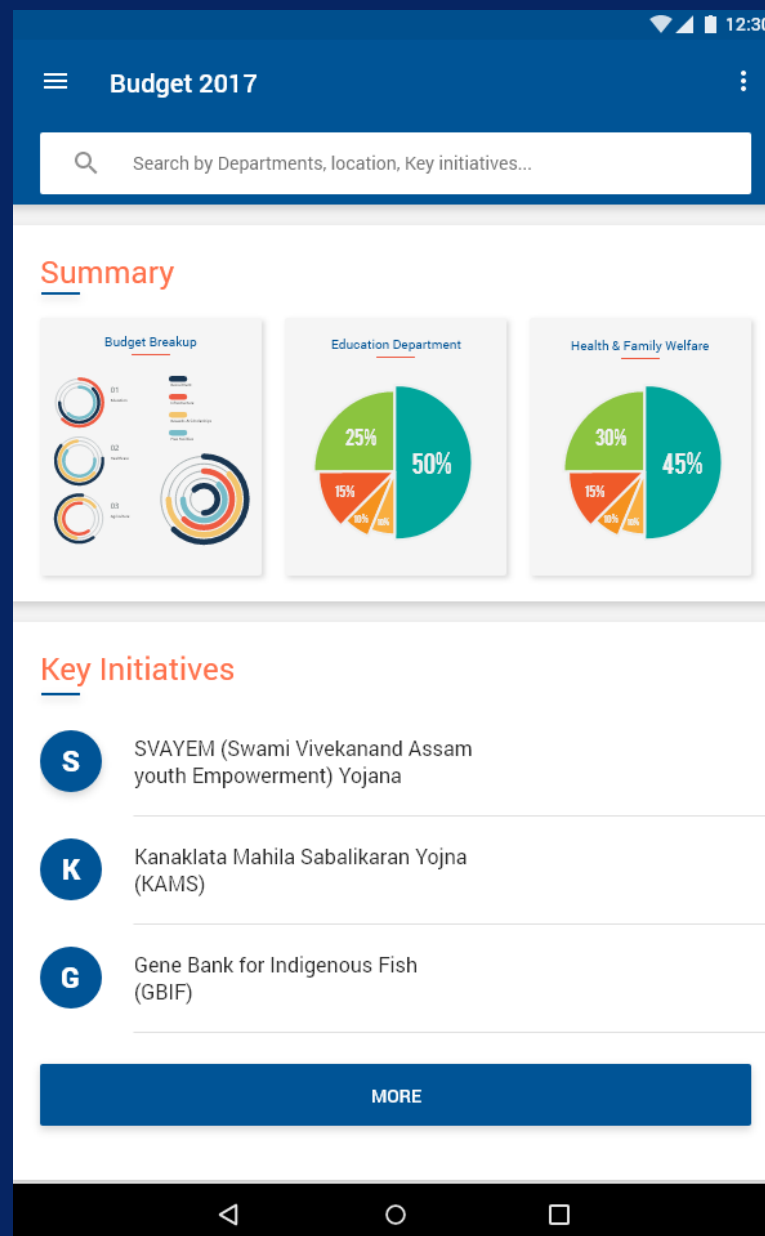
Key changes introduced (6/7)

Budget Disclosures

- *Status of Implementation of Budget Announcements of 2016-17, 2017-18 (As on Dec 31st, 2017)*

Database of Key Assets

- *DDO/ HoD to submit list of currently available owned Vehicles (Working, Under Repair, To be condemned) – deadline for DDO is Dec 30th*
- *DDO/ HoD to submit list of Projects initiated where AA has been given, work started but not completed – deadline for DDO is Dec 30th*



Key changes introduced (7/7)

Shorten the Budget Cycle

- Budget Kick-off on Dec 1st, Last date for Expenditure, Receipt submission on Jan 08th (Scrutiny, Finalization by Jan 27th)
- Detailed timelines are mentioned in page 18 of the Budget Guidelines 2018-19



Budget Review Meeting Schedule

Review Meetings will be held every Tuesday and Friday at (1.30 PM & 3.30 PM) in 4 groups starting from **4th December till 12th January, 2018** to monitor the Budget Preparation Process

Attendees: Nodal Officers of the Administrative Departments/ HoDs (Sr. FAs/ FAs of the Administrative Department along with the Sr. FAOs / FAOs of the HoD, in addition to any other officer that the Department/ HoDs may designate)

Venue: Finance Department Conference Hall, Ground Floor

Note: 1st Meeting of Groups 3, 4 will be held on 4th Dec, Monday @ 1.30 PM & 3.30 PM respectively. Subsequent meetings for Groups 3, 4 to be held every Friday

Support from Finance Department

- **Weekly interaction** with the concerned Departments/ HoDs
- **Hands-on training** at the Finance Department Training Hall
 - Any day of the week, any time
- **Technical staff** placed at each Treasury/ Sub-Treasury for any technical assistance to the DDOs
- **Budget Helpdesk:** helpdesk.budget@afegu.in
- **Budget Cell** established in the Finance Department for assistance to the Departments, HoDs

***Alone we can do so little.
Together we can do so much.***

Thank You!