

International Budget Partnership  
**OPEN BUDGET QUESTIONNAIRE**

# **INDIA**

September 28, 2007

International Budget Partnership  
Center on Budget and Policy Priorities  
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# International Budget Partnership OPEN BUDGET QUESTIONNAIRE INDIA

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## **Section One: The Availability of Budget Documents**

## Table 1. Budget Year of Documents Used in Completing the Questionnaire

*Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, "Not Available."*

<b>Budget Documents Used in Completing the Questionnaire</b>	
<i>As explained in the guide to the questionnaire, documents from a variety of fiscal years are referred to throughout the questionnaire. Please indicate below for which fiscal year responses to questions relating to each report or experience were based on.</i>	
	Budget Year Used
Pre-Budget Statement	Not Produced
Budget Summary	2007-08
Executive's Budget Proposal	2007-08
Supporting Budget Documents	2007-08
Citizens Budget	2007-08
Enacted Budget	2007-08
In-Year Reports	2007-08 2006-07
Mid-Year Report	2006-07
Year-End Report	2006-07
Audit Report	2006-07

## Table 2. Key Budget Documents Used: Full Titles and Internet Links

*Please provide the full title, date and Internet link for all documents to be cited in Sections 2 & 3.*

*If an Internet link is not available for the document, please indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”*

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	NOT PRODUCED
Budget Summary	BUDGET AT A GLANCE : < <a href="http://indiabudget.nic.in/ub2007-08/glance.htm">http://indiabudget.nic.in/ub2007-08/glance.htm</a> > February 28,2007
Executive’s Budget Proposal	ANNUAL FINANCIAL STATEMENT: < <a href="http://indiabudget.nic.in/ub2007-08/afs.htm">http://indiabudget.nic.in/ub2007-08/afs.htm</a> > February 28,2007  FINANCE BILL : < <a href="http://indiabudget.nic.in/ub2007-08/bill.htm">http://indiabudget.nic.in/ub2007-08/bill.htm</a> > February 28,2007
Budget Document One in Support of the Executive’s Budget Proposal	RECEIPTS BUDGET: < <a href="http://indiabudget.nic.in/ub2007-08/rec.htm">http://indiabudget.nic.in/ub2007-08/rec.htm</a> > February 28,2007
Budget Document Two in Support of the Executive’s Budget Proposal	EXPENDITURE BUDGET VOL-I : < <a href="http://indiabudget.nic.in/ub2007-08/ebmain.htm">http://indiabudget.nic.in/ub2007-08/ebmain.htm</a> > February 28,2007
Budget Document Three in Support of the Executive’s Budget Proposal	EXPENDITURE BUDGET VOL-II : < <a href="http://indiabudget.nic.in/ub2007-08/ebmain.htm">http://indiabudget.nic.in/ub2007-08/ebmain.htm</a> > February 28,2007  Other Supporting Documents include, BUDGET 2007-2008, SPEECH OF P. CHIDAMBARAM, MINISTER OF FINANCE, FEBRUARY 28, 2007 <a href="http://indiabudget.nic.in/ub2007-08/bs/speecha.htm">http://indiabudget.nic.in/ub2007-08/bs/speecha.htm</a>  MACRO-ECONOMIC FRAMEWORK STATEMENT MEDIUM TERM FISCAL POLICY STATEMENT FISCAL POLICY STRATEGY STATEMENT <a href="http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf">http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf</a> February 28,2007

	<p>ECONOMIC SURVEY  <a href="http://indiabudget.nic.in/es2006-07/esmain.htm">http://indiabudget.nic.in/es2006-07/esmain.htm</a>  February 27, 2007</p> <p>BUDGET HIGHLIGHTS  <a href="http://indiabudget.nic.in/ub2007-08/high.htm">http://indiabudget.nic.in/ub2007-08/high.htm</a>  February 28,2007</p> <p>KEY TO BUDGET DOCUMENT  <a href="http://indiabudget.nic.in/ub2007-08/keybud/keybud2007.pdf">http://indiabudget.nic.in/ub2007-08/keybud/keybud2007.pdf</a>  February 28,2007</p> <p>REVENUE FOREGONE UNDER THE CENTRAL TAX SYSTEM: FINANCIAL YEARS 2005-06 AND 2006-07  <a href="http://indiabudget.nic.in/ub2007-08/srf/rfs.pdf">http://indiabudget.nic.in/ub2007-08/srf/rfs.pdf</a>  February 28,2007</p> <p>BUDGET AT A GLANCE  <a href="http://indiabudget.nic.in/ub2007-08/glance.htm">http://indiabudget.nic.in/ub2007-08/glance.htm</a>  February 28,2007</p> <p>DETAILED DEMAND FOR GRANTS  Available at the website of respective Ministries &lt; <a href="http://goidirectory.nic.in/exe.htm#min">http://goidirectory.nic.in/exe.htm#min</a> &gt; For Example, Department of Agriculture &amp; Cooperation &lt; <a href="http://agricoop.nic.in/Budget/Demand/demands07-08.pdf">http://agricoop.nic.in/Budget/Demand/demands07-08.pdf</a> &gt;, Detailed Demands for Grants of Ministry of Steel for 2007-2008 &lt; <a href="http://steel.gov.in/Performance%20Budget%20(2007-08)/demand%20for%20grants.pdf">http://steel.gov.in/Performance%20Budget%20(2007-08)/demand%20for%20grants.pdf</a> &gt; and so on.  The date of publication of these documents is not fixed. As different ministries publish it on different dates as per the schedule of discussion in the Parliament during the budget session (roughly from middle of February till mid of May). However, it is mandatory that all the ministries need to publish this document for discussion during this period.</p> <p>MEMORANDUM to the Finance Bill  <a href="http://indiabudget.nic.in/ub2007-08/memo.htm">http://indiabudget.nic.in/ub2007-08/memo.htm</a>  February 28,2007</p>
Citizens Budget	<p>KEY TO BUDGET DOCUMENTS: Budget 2007 - 2008  <a href="http://indiabudget.nic.in/ub2007-08/keybudget.htm">http://indiabudget.nic.in/ub2007-08/keybudget.htm</a>  February 28,2007</p> <p>KEY TO BUDGET DOCUMENTS: BUDGET 2007-2008 from Union Budget 2007 - 2008: BUDGET HIGHLIGHTS &lt; <a href="http://indiabudget.nic.in/ub2007-08/high.htm">http://indiabudget.nic.in/ub2007-08/high.htm</a> &gt;  February 28,2007</p> <p>Union Budget 2007 - 2008: BUDGET AT A GLANCE &lt; <a href="http://indiabudget.nic.in/ub2007-08/glance.htm">http://indiabudget.nic.in/ub2007-08/glance.htm</a> &gt;  February 28,2007</p>

Enacted Budget	<p>The Finance Bill was introduced on February 28,2007</p> <p>THE FINANCE BILL 2007AS PASSED IN BOTH THE HOUSES OF PARLIAMENT, May 11, 2007  <a href="http://164.100.24.219/BillsTexts/LSBillTexts/PassedBothHouses/22F.pdf">http://164.100.24.219/BillsTexts/LSBillTexts/PassedBothHouses/22F.pdf</a></p> <p>THE APPROPRIATION (NO-2) BILL-2007 AS PASSED BY BOTH THE HOUSES OF PARLIAMENT on May 11  <a href="http://164.100.24.219/BillsTexts/LSBillTexts/PassedBothHouses/appr%20%20b%2051.pdf">http://164.100.24.219/BillsTexts/LSBillTexts/PassedBothHouses/appr%20%20b%2051.pdf</a></p>
In-Year Reports	<p>Controller General Account Reports &lt; <a href="http://cga.gov.in/">http://cga.gov.in/</a> &gt; Released Every Month</p> <p>Macroeconomic Framework Statement  &lt; <a href="http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf">http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf</a> &gt;  February 28,2007</p> <p>MONTHLY ECONOMIC REPORT, MINISTRY OF FINANCE  &lt; <a href="http://finmin.nic.in/stats_data/monthly_economic_report/2007/indmay07.pdf">http://finmin.nic.in/stats_data/monthly_economic_report/2007/indmay07.pdf</a> &gt;</p> <p>QUARTERLY REPORT ON CENTRAL GOVERNMENT BORROWING &lt;  <a href="http://finmin.nic.in/stats_data/central_govt_borrowings/data_31_03_2007Q1.htm">http://finmin.nic.in/stats_data/central_govt_borrowings/data_31_03_2007Q1.htm</a> &gt;  March 31, 2007</p> <p>STATEMENT ON QUARTERLY REVIEW OF THE TRENDS IN RECEIPTS AND EXPENDITURE IN RELATION TO THE BUDGET DURING THE THIRD QUARTER OF THE FINANCIAL YEAR 2006-07  &lt; <a href="http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/FRBM3rd0607.pdf">http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/FRBM3rd0607.pdf</a> &gt;  Published at the end of every quarter  THE LIST IS INDICATIVE ONLY, NOT COMPREHENSIVE</p>
Mid-Year Review	<p>MID YEAR REVIEW  &lt; <a href="http://finmin.nic.in/downloads/reports/MYREnglish06.pdf">http://finmin.nic.in/downloads/reports/MYREnglish06.pdf</a> &gt; November 2006</p>

Year-End Report	<p>IMPLEMENTATION OF BUDGET ANNOUNCEMENTS &lt; <a href="http://indiabudget.nic.in/ub2007-08/impbud/impbud.pdf">http://indiabudget.nic.in/ub2007-08/impbud/impbud.pdf</a> &gt; February 28, 2007</p> <p>OUTCOME BUDGET: 2006 - 2007 &lt; <a href="http://finmin.nic.in/downloads/reports/outcomebud0607.pdf">http://finmin.nic.in/downloads/reports/outcomebud0607.pdf</a> &gt; Ministries are responsible for their individual outcome budgets and release those during the months of March and April</p> <p>FINANCE ACCOUNTS : &lt; <a href="http://cga.nic.in">cga.nic.in</a> &gt; Union Government Appropriation Accounts (CIVIL) 2006-2007 brought out in February 2008: <a href="http://cga.nic.in/appn_accounts/appn_accounts0607/appn_accounts0607.htm">http://cga.nic.in/appn_accounts/appn_accounts0607/appn_accounts0607.htm</a></p> <p>Union Audit Reports, Accounts of Union Government, (Report No. 13 of 2007), 2006-2007 <a href="http://cag.gov.in/html/reports/civil/2007_13_reg/contents.htm">http://cag.gov.in/html/reports/civil/2007_13_reg/contents.htm</a> Brought out in March2007</p>
Audit Report	<p>Union Audit Reports (Accounts of Union Government) of The Comptroller and Auditor General (CAG) REPORT ON FINANCES OF THE CENTRAL GOVERNMENT (Regularity Audit - Report No. 1 of 2007) 2005-2006 <a href="http://cag.gov.in/html/reports/civil/2007_13_reg/contents.htm">http://cag.gov.in/html/reports/civil/2007_13_reg/contents.htm</a></p> <p>AND OTHER SPECIFIC REPORTS RELATED TO INDIVIDUAL ISSUES LIKE DIRECT TAXES, INDIRECT TAXES, DEPARTMENTS AND SO ON</p>
Other Documents	<p>COMPREHENSIVE Most of these sources are very important as they bring in the public domain regular updates in regular intervals.</p>
Relevant Ministries & Departments	<p>MINISTRY OF FINANCE: &lt; <a href="http://finmin.nic.in">finmin.nic.in</a> &gt; OTHER MINISTRIES: &lt; <a href="mailto:goidirectory@nic.in">goidirectory@nic.in</a> &gt;</p>

**Table 3. Distribution of Documents Related to the Executive's Budget Proposal**

<b>DISTRIBUTION OF BUDGET DOCUMENTS</b>						
<i>For the following reports, place "Yes" in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	<b>Executive's Budget Proposal</b>				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes	Yes					
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request						
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)		Yes	Yes	Yes	Yes	Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark "Yes" if yes, "No" if no, or "NA" if Not Available.</i>						
	Pre-budget	<b>Executive's Budget</b>				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	NA	Yes	Yes	Yes	Yes	Yes
2. Advance notification of release is sent to users, media	NA	Yes	Yes	Yes	Yes	Yes
3. Released to public same day as official release to media	NA	Yes	Yes	Yes	Yes	Yes
4. Available on the Internet free of charge	NA	Yes	Yes	Yes	Yes	Yes
5. Free print copies available, limited distribution	NA	Yes	Yes	Yes	Yes	Yes
6. Free print copies available, mass distribution	NA	No	No	No	No	No
7. Readily available outside capital and/or big cities <sup>+</sup>	NA	Yes	Yes	Yes	Yes	Yes
8. Written in more than one language	NA	Yes	Yes	Yes	Yes	Yes
9. News conference is held to discuss release	NA	NA	Yes	No	No	No

\*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

<sup>+</sup>Mark "Yes" if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

**Table 4. Distribution of the Enacted Budget and Other Reports**

<b>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</b>					
<i>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes					
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request					
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	Yes	Yes	Yes	Yes	No
2. Advance notification of release sent to users, media	Yes	No	No	No	No
3. Released to public same day as official release to media	No	Yes	Yes	Yes	No
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes
5. Free print copies available, limited distribution	Yes	Yes	Yes	Yes	Yes
6. Free print copies available, mass distribution	No	No	No	No	No
7. Readily available outside capital/big cities <sup>+</sup>	Yes	Yes	Yes	Yes	Yes
8. Written in more than one language	Yes	Yes	Yes	Yes	Yes
9. News conference is held to discuss release	No	No	No	No	Yes

<sup>+</sup>Mark “Yes” if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

## Section Two: The Executive's Budget Proposal

*Notes on abbreviations:*

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

*Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked "not applicable/other," please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.*

<b>The Executive's Budget Proposal</b>	
<b>Estimates for the Budget Year and Beyond</b>	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> <li>All expenditures are classified by administrative unit.</li> <li>Expenditures are classified by administrative unit, but some small units are not shown separately.</li> <li>Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</li> <li>No expenditures classified by administrative unit are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Expenditure Budget of Union Budget (2007-2008) <a href="http://indiabudget.nic.in/ub2007-08/eb/vol1.htm">http://indiabudget.nic.in/ub2007-08/eb/vol1.htm</a></p> <p><u>Comment:</u> It is also possible to know which ministry runs what program from the demand for grants (or Expenditure Budget Volume-II of specific ministries). For example, if one opens the ministry's budget for the Ministry of Rural development &lt;<a href="http://indiabudget.nic.in/ub2007-08/eb/sbe78.pdf">http://indiabudget.nic.in/ub2007-08/eb/sbe78.pdf</a>&gt; one can see that a number of programs are being run by the Ministry.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ol style="list-style-type: none"> <li>a. All expenditures are classified by functional classification, and the categorization is compatible with international standards.</li> <li>b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards.</li> <li>c. Some, but not all, expenditures are classified by function.</li> <li>d. No expenditures classified by function are presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  An Economic and Functional Classification of the Central Government Budget (2007-2008), Ministry of Finance, Department of Economics Affairs  <a href="http://finmin.nic.in/downloads/reports/FunClass200708.pdf">http://finmin.nic.in/downloads/reports/FunClass200708.pdf</a></p> <p><u>Comment:</u>  Since 1968 the Government has presented functional classification of the budget with a lag of one year, i.e. a year after the budget proposal. Due to this time lag, the functional classification report cannot be considered as part of the executive’s budget proposal. Further, the document is not presented to the Parliament for approval.</p> <p><b><u>Peer Reviewer One Comment:</u></b> I agree with overall assessment with a clarification that details are prepared by the Ministry of Finance since 1957-58. Functional classification is however, more of a tool for economic analysis rather than a tool to aid the budgetary process.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d.”</p>	<p>d</p>
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<p>3. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ol style="list-style-type: none"> <li>All expenditures are classified by economic classification, and the categorization is compatible with international standards.</li> <li>All expenditures are classified by economic classification, but the categorization is not compatible with international standards.</li> <li>Some, but not all, expenditures are classified by economic classification.</li> <li>No expenditures classified by economic classification are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> An Economic and Funcational Classification of the Central Government Budget (2007-2008), Ministry of Finance, Department of Economics Affaris <a href="http://finmin.nic.in/downloads/reports/FunClass200708.pdf">http://finmin.nic.in/downloads/reports/FunClass200708.pdf</a></p> <p><u>Comment:</u> Same as above.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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<p>4. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ol style="list-style-type: none"> <li>Program-level data are presented for all expenditures.</li> <li>Program-level data are presented for at least two-thirds of, but not all, expenditures.</li> <li>Program-level data are presented, but for less than two-thirds of expenditures.</li> <li>No program-level data are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Expenditure Budget <a href="http://indiabudget.nic.in/ub2007-08/eb/vol2.htm">http://indiabudget.nic.in/ub2007-08/eb/vol2.htm</a></p> <p><u>Comment:</u> Most program level data are available. However, there are also several programs which are presented in a consolidated or a single program. For example, the National Social Assistance Program is a combination of national maternity benefit program, old age pension scheme and national family benefit scheme, which are not presented individually. This is because, since 2002-03, the program has been transferred to the State governments and the Union government only supports the program financially. For more details about the program, please see &lt; <a href="http://rural.nic.in/nsapguidelines.htm">http://rural.nic.in/nsapguidelines.htm</a> &gt;. The Ministry of Finance directly deals with the fund transfers to the states as far as NSAP is concerned. Please see &lt; <a href="http://indiabudget.nic.in/ub2007-08/eb/sbe35.pdf">http://indiabudget.nic.in/ub2007-08/eb/sbe35.pdf</a> &gt; There are several other schemes and programs such as the aforementioned one. More examples of such programs might be Rural Employment Program, Special Area Program, etc., in the Annual Financial Statement (AFS) although some of these schemes are detailed in some of the supporting documents.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
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<p>5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate expenditure are presented.  b. No, multi-year estimates of aggregate expenditure are not presented.  c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  No multi-year budgeting is practiced in India. However, for the Fiscal Indicators, annual rolling targets are set for multi year. On Expenditure, Planning Commission (and its various working groups) proposes annual expenditures required on a multi-year basis. However, these are not Budget documents.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
<p>6. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <p>a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).  b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.  c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.  d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  Same as question-5</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>

<p>7. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ol style="list-style-type: none"> <li>All sources of tax revenue are identified individually.</li> <li>Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually.</li> <li>Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually.</li> <li>No sources of tax revenue are identified individually.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  CONSOLIDATED FUND OF INDIA - REVENUE ACCOUNT- RECEIPTS  <a href="http://indiabudget.nic.in/ub2007-08/afs/afs1.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs1.pdf</a>  Receipts Budget, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf">http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>8. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ol style="list-style-type: none"> <li>All sources of non-tax revenue are identified individually.</li> <li>Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually.</li> <li>Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually.</li> <li>No sources of non-tax revenues are identified individually.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  CONSOLIDATED FUND OF INDIA - REVENUE ACCOUNT- RECEIPTS  <a href="http://indiabudget.nic.in/ub2007-08/afs/afs1.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs1.pdf</a>  Receipts Budget, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf">http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>9. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate revenue are presented.  b. No, multi-year estimates of aggregate revenue are not presented.  c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  Same as question-5</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>10. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <p>a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).  b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.  c. Yes, multi-year estimates are presented, but only for some individual sources of revenue.  d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  Same as question-5</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <p>a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).</p> <p>b. Yes, the data reflect the outstanding debt at the end of the budget year.</p> <p>c. Yes, the data reflect the outstanding debt at the start of the budget year.</p> <p>d. No, data on the outstanding debt are not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> DEBT POSITION OF THE GOVERNMENT OF INDIA <a href="http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented.</p> <p>b. No, interest payments on the debt are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Ministry of Finance: Interest Payments &lt; <a href="http://indiabudget.nic.in/ub2007-08/eb/sbe34.pdf">http://indiabudget.nic.in/ub2007-08/eb/sbe34.pdf</a> &gt; DEBT POSITION OF THE GOVERNMENT OF INDIA <a href="http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf</a></p> <p>STATEMENT I - CONSOLIDATED FUND OF INDIA - REVENUE ACCOUNT- DISBURSEMENTS See Point (c) <a href="http://indiabudget.nic.in/ub2007-08/afs/afs2.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs2.pdf</a></p> <p>STATEMENT IA - DISBURSEMENTS "CHARGED" ON THE CONSOLIDATED FUND OF INDIA See Major Head No 2049 <a href="http://indiabudget.nic.in/ub2007-08/afs/afs5.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs5.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?</p> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  DETAILS OF CURRENT RUPEE LOANS OF THE CENTRAL GOVERNMENT  <a href="http://indiabudget.nic.in/ub2007-08/rec/annex4.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex4.pdf</a></p> <p>DEBT POSITION OF THE GOVERNMENT OF INDIA  <a href="http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf</a></p> <p>EXTERNAL ASSISTANCE  <a href="http://indiabudget.nic.in/ub2007-08/rec/annex2.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex2.pdf</a></p> <p><u>Comment:</u>  The external debt is not as detailed as the internal debt. In that sense, the answer 'b' might be suitable. But we have chosen 'a' instead of 'b' as the size of external debt is only around 4 % of total accumulated debt as of 31<sup>st</sup> March 2008 and 4.4 % of the debt during the year 2007-08.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?
- Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly.
  - Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
  - Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
  - No, information related to the macroeconomic forecast is not presented.
  - Not applicable/other (please comment).

Citation:

Budget 2007-2008, Speech of P. Chidambaram, Minister of Finance, February 28, 2007

<http://indiabudget.nic.in/ub2007-08/bs/speecha.htm>

Macro-Economic Framework Statement

Medium Term Fiscal Policy Statement

Fiscal Policy Strategy Statement

<http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf>

Comment:

Though the Economic survey also presents such information on macroeconomic forecasts, for technical reasons, we may not consider that as a part of the executive's budget proposal. However, it can be considered as a supporting budget document.

**Researcher's Response to this Question was "b."**

**Peer Reviewer One Comment:** I agree. However, the Economic Survey is very much a part of the supporting documents of the Union Budget. It is presented by the Executive to the Parliament and forms the basis of much of what is presented in the Budget.

**Peer Reviewer Two Comment:** A more appropriate response to this question would be "c." The Macro-economic framework statement gives the estimate for nominal GDP growth. The budget documents do not give estimates of real GDP growth, inflation, interest rates, petroleum prices (important for the subsidy) etc.

**IBP Comment:** IBP editors chose answer, "c" in light of peer reviewer's observations.

c

<p>15. Does the executive’s budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on the impact of different macroeconomic assumptions on the budget is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Outcome of the review of the trends in receipts and expenditure in relation to the budget at the end of the second quarter of the financial year 2007-2008 (Mid-Year Review)  <a href="http://finmin.nic.in/downloads/reports/MYREnglish07.pdf">http://finmin.nic.in/downloads/reports/MYREnglish07.pdf</a></p> <p>Macro-Economic Framework Statement Medium Term Fiscal Policy Statement  Fiscal Policy Strategy Statement  <a href="http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf">http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf</a></p> <p><u>Comment:</u>  Mid-year review is not considered as the Executive's Budget Proposals.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” While econometric tools and statistical analysis is not presented, much of raw data is being presented in recent years at various stages of the budgeting cycle, including impact of macro-economic assumptions.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	<p>d</p>
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16. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?
- Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
  - Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.
  - Yes, some information is presented, but it lacks important details.
  - No, information on the impact of policy proposals on expenditures is not presented.
  - Not applicable/other (please comment).

Citation:

<http://indiabudget.nic.in/ub2007-08/high.htm>

<http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf>

Comment:

New policy proposals are accounted for in the budget to some extent but they are not very explicitly stated anywhere. However, from the speech of the Finance Minister and the documents highlighting budgets or other documents such as expenditure budget volume-2, it is easier to locate.

Sometimes, proposals are made in the budget speech but in the absence of concrete administrative set up at the time of budget proposals, allocations are not made properly. However, if these budgetary policy proposals take concrete shape during the rest of the year, they are accounted for in the supplementary budgets.

Supplementary budgets, though not a part of the initial budget proposals, should be treated as supporting budget documents because they are integral parts of the country's financial statements. (But the publication date of this document, Nov 2007, is too far apart from that of the main budget proposal, which is Feb 2007).

For example, as per the norms of the Sarva Siksha Abhiyan (SSA) an education scheme, the share of State Governments would have been 50 % in total allocation and the Union budget was prepared accordingly with 50 % central allocation. However, at a later phase the norms were set as 35 % for States and 65 % for the centre for the year 2007-08. Therefore, the amount of expenditure by the centre increased substantially. This was taken care of by issuing supplementary grants in November. Sharing of funds is usually resorted to in centrally sponsored schemes on a theme (For example education, health, etc.,) under the jurisdiction of both the states and the center.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

b

<p>17. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on the impact of policy proposals on revenues is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Receipts Budget, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf">http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf</a></p> <p><u>Comment:</u> A new policy proposal such as the introduction of an additional education cess of 1 % has been reflected in the receipt budget. For example, in &lt; <a href="http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf">http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf</a> &gt; page 3, the estimated revenue from the CESSes administered by the department of revenue increased by 10 percent approximately, due to the introduction of education CESS for secondary and higher education.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<b>Estimates for Years Prior to the Budget Year</b>	
<p>18. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> <li>All expenditures are classified by administrative unit for BY-1.</li> <li>Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.</li> <li>Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.</li> <li>No expenditures classified by administrative unit are presented for BY-1.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> <a href="http://indiabudget.nic.in/ub2007-08/eb/vol1.htm">http://indiabudget.nic.in/ub2007-08/eb/vol1.htm</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>19. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?</p> <ol style="list-style-type: none"> <li>a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.</li> <li>b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.</li> <li>c. Some, but not all, expenditures are classified by function for BY-1.</li> <li>d. No expenditures classified by function are presented for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  An Economic and Functional Classification of the Central Government Budget (2007-2008)  Department of Economic Affairs, Ministry of Finance  <a href="http://finmin.nic.in/downloads/reports/FunClass200708.pdf">http://finmin.nic.in/downloads/reports/FunClass200708.pdf</a></p> <p><u>Comment:</u>  Since 1968, the Government has presented a functional classification of the budget with a lag of one year, i.e. a year after the budget proposal. Due to this time lag the functional classification report cannot be considered to be part of the executive's budget proposal. Further, the document is not presented to the Parliament for approval. However, since the report for the previous budget year is available along with the current year budget this information is being used to answer the question.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>20. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?</p> <ol style="list-style-type: none"> <li>All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.</li> <li>All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.</li> <li>Some, but not all, expenditures are classified by economic classification for BY-1.</li> <li>No expenditures classified by economic classification are presented for BY-1.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://finmin.nic.in/downloads/reports/FunClass200708.pdf">http://finmin.nic.in/downloads/reports/FunClass200708.pdf</a></p> <p><u>Comment:</u>  Same as above.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>21. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> <li>Program-level expenditure data are presented for all expenditures for BY-1.</li> <li>Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.</li> <li>Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.</li> <li>No program-level expenditure data are presented for BY-1.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://indiabudget.nic.in/ub2007-08/eb/vol2.htm">http://indiabudget.nic.in/ub2007-08/eb/vol2.htm</a></p> <p><u>Comment:</u>  However some very small programs are clubbed together and presented as a group.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>22. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> <li>All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.</li> <li>All BY-1 estimates have been updated from the original enacted levels, but</li> </ol>	c

- c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.
- d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.
- e. Not applicable/other (please comment).

Citation:

Comment:

Budget Circular 2008 - 2009, published Sept 20, 2007.

[http://finmin.nic.in/the\\_ministry/dept\\_eco\\_affairs/budget/budgetcircular2008-09.pdf](http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2008-09.pdf) shows that the ministries prepare revised estimates on the basis of 6 or more months of actual data. See appendix IV-B page 23 of the above document that needs actuals up to September 2007 for calculation of revised estimates for 2007-08 for preparing budget documents for 2008-09. In India, budget year starts from April and it means exactly six months of actual data. In the last OBI survey, the answer chosen was 'b' based on a circular issued to the Kerala Government. But as per the revised guidelines issues to the central ministries in Sept 2007, all revised estimates now do practice incorporation of at least 6-7 month actual data to prepare the revised estimate. From the commonsensical view, the answer should be 'a' for the year. However, because such an issue is not addressed categorically in the budget documents or on the basis of date of publication of such guidelines we can not get a source of information published close to the budget session, we chose 'e' as the answer.

**Researcher's Response to this Question was "e."**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "a" even in 'pre-budget-circular-era,' at least 6 months' actual data informs the budget. While budgeting exercise starts around October, the datasets are constantly revised as new datasets become available so that by the time budget is ready, it had factored in at least 6 months' datasets.

**Peer Reviewer Two Comment:** A more appropriate response to this question would be "c." This is difficult to judge and the rationale for choosing "c" rather than "a" or "e" is the following. The Revised Estimates for both receipts and expenditure are given at the same detail as in the original budget. However, the number of months of actual expenditure is not mentioned. It is not even clear whether all the line items have the same number of months of actual expenditure. There is an attempt to update for actual expenditure and the figures are different from the initial budget estimate but there is no data on the number of months of actual expenditure, so the choice is "c."

**BP Comment:** IBP editors chose answer, "c" in light of the peer reviewer's comment.

<p>23. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate expenditure are presented.  b. No, such prior-year estimates of aggregate expenditure are not presented.  c. Not applicable/other (please comment).</p> <p><u>Citation:</u>  TRENDS IN EXPENDITURE  <a href="http://indiabudget.nic.in/ub2007-08/eb/trend.pdf">http://indiabudget.nic.in/ub2007-08/eb/trend.pdf</a></p> <p>STATEMENT I - CONSOLIDATED FUND OF INDIA - REVENUE ACCOUNT-  DISBURSEMENTS  <a href="http://indiabudget.nic.in/ub2007-08/afs/afs2.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs2.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>24. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> <li>Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).</li> <li>Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.</li> <li>Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.</li> <li>No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Department of Agriculture and Cooperation <a href="http://agricoop.nic.in/Budget/Demand/demands07-08.pdf">http://agricoop.nic.in/Budget/Demand/demands07-08.pdf</a></p> <p><u>Comment:</u> The above document is just an example. All the ministries are supposed to publish their detailed demand for grants. It is a document which is very well a part of the supporting budget document but is not brought out on the day other budget documents are presented. Untill recently, it was not published on the web. But, one can request a hard copy from the respective ministries and departments if any of those publications are in stock. For more details, please see paragraph 20 of page 15 in the ‘Key to Budget Document’ &lt; <a href="http://indiabudget.nic.in/ub2007-08/keybud/keybud2007.pdf">http://indiabudget.nic.in/ub2007-08/keybud/keybud2007.pdf</a> &gt; It describes that “The Demands for Grants are followed by the <i>Detailed Demands for Grants</i> laid on the table of the Lok Sabha some time after the presentation of the Budget, but before the discussion on Demands for Grants commences. These Detailed Demands for Grants show further details of the provisions included in the Demands for Grants as also of actual expenditure during the previous year. A break up of the estimates relating to each program/organization, wherever the amount involved is not less than Rs.10 lakhs, is given under a number of object heads which indicate the categories and nature of expenditure incurred on that program, like salaries, wages, travel expenses, machinery and equipment, grants-in-aid, etc. At the end of these Detailed Demands are shown the details of recoveries taken in reduction of expenditure in the accounts.”</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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<p>25. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ol style="list-style-type: none"> <li>Two years prior to the budget year (BY-2).</li> <li>Three years prior to the budget year (BY-3).</li> <li>Before BY-3.</li> <li>No actual data for all expenditures are presented in the budget or supporting budget documentation.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  STATEMENT I - CONSOLIDATED FUND OF INDIA - REVENUE ACCOUNT-  DISBURSEMENTS  <a href="http://indiabudget.nic.in/ub2007-08/afs/afs2.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs2.pdf</a>  STATEMENT I -CONSOLIDATED FUND OF INDIA-CAPITAL ACCOUNT  DISBURSEMENTS  <a href="http://indiabudget.nic.in/ub2007-08/afs/afs4.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs4.pdf</a></p> <p><u>Comment:</u>  Here, by disbursements we mean expenditure only.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?
- Yes, prior-year data are always adjusted to be comparable to the budget year data.
  - Yes, in most cases, prior-year data are adjusted to be comparable.
  - Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist.
  - No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented.
  - Not applicable/other (please comment).

Citation:

<http://indiabudget.nic.in/ub2007-08/afs/afs2.pdf>

Budget Circular 2008-2009

[http://finmin.nic.in/the\\_ministry/dept\\_eco\\_affairs/budget/budgetcircular2008-09.pdf](http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2008-09.pdf)

Comment:

Please refer to paragraph 3.2.1 on page 5 of the second citation, which states that "Departments should ensure that all schemes that have been discontinued, do not find mention in RE 2007-08. Similarly schemes that are not to continue beyond the year 2007-08, should not be included for BE 2008-09." In all other cases the items are arranged in major head codes and are comparable. However, since it is easy to know the schemes which are to be discontinued, we have given an answer "a" for this question.

**Researcher's Response to this Question was "a."**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be "d." For example, see <http://indiabudget.nic.in/ub2006-07/eb/sbe78.pdf> item 4 on page 1 and explanation on page 2. NFFWP is subsumed under NREGS but prior year data is not adjusted accordingly.

**IBP Comment:** IBP editors chose answer, "d" in light of peer reviewer comments.

d

<p>27. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> <li>All tax revenues are identified individually for BY-1.</li> <li>Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually.</li> <li>Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually.</li> <li>No tax revenues are identified individually for BY-1.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Receipts Budget, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf">http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf</a></p> <p>STATEMENT I - CONSOLIDATED FUND OF INDIA - REVENUE ACCOUNT-  RECEIPTS  <a href="http://indiabudget.nic.in/ub2007-08/afs/afs1.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs1.pdf</a></p> <p><u>Comment:</u>  All tax revenues are classified for the year preceding the Budget Year.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>28. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> <li>All non-tax revenues are identified individually for BY-1.</li> <li>Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.</li> <li>Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.</li> <li>No non-tax revenues are identified individually for BY-1.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://indiabudget.nic.in/ub2007-08/rec/ntaxrev.pdf">http://indiabudget.nic.in/ub2007-08/rec/ntaxrev.pdf</a></p> <p>STATEMENT I - CONSOLIDATED FUND OF INDIA - REVENUE ACCOUNT-RECEIPTS  <a href="http://indiabudget.nic.in/ub2007-08/afs/afs1.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs1.pdf</a></p> <p><u>Comment:</u>  All non-tax revenues are identified.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>29. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> <li>All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.</li> <li>All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.</li> <li>Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.</li> <li>The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Same as the comments for question 22. Budget Circular 2008-2009 <a href="http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2008-09.pdf">http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2008-09.pdf</a> See Appendix-1 Page No 19: The Ministries and departments need to compile the actual receipts for 7 months for calculating the RE of the year</p> <p><b><u>Researcher’s Response to this Question was “e.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “c.” Same reasons as that for question 22.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” in light of the peer reviewer’s comment.</p>	c
<p>30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> <li>Yes, such prior-year estimates of aggregate revenue are presented.</li> <li>No, such prior-year estimates of aggregate revenue are not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> TRENDS IN RECEIPTS from Receipts Budget, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/rec/annex5.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex5.pdf</a></p> <p><u>Comment:</u> The figures available for BY-2 and prior are not estimates but actuals.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>31. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> <li>Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).</li> <li>Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.</li> <li>Yes, such prior-year estimates are presented, but only for some individual sources of revenue.</li> <li>No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://indiabudget.nic.in/ub2007-08/rec/annex5.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex5.pdf</a></p> <p><u>Comment:</u>  Same as question 30.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>32. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ol style="list-style-type: none"> <li>Two years prior to the budget year (BY-2).</li> <li>Three years prior to the budget year (BY-3).</li> <li>Before BY-3.</li> <li>No actual data for all revenues are presented in the budget or supporting budget documentation.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://indiabudget.nic.in/ub2007-08/rec/annex5.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex5.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>33. Does the executive's budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?</p> <ol style="list-style-type: none"> <li>Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.</li> <li>Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.</li> <li>Yes, but only information on the level of debt is presented.</li> <li>No, information related to the government debt for BY-1 is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> DEBT POSITION OF THE GOVERNMENT OF INDIA from Receipts Budget, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf</a></p> <p>DETAILS OF CURRENT RUPEE LOANS OF THE CENTRAL GOVERNMENT from Receipts Budget, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/rec/annex4.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex4.pdf</a></p> <p>EXTERNAL ASSISTANCE from Receipts Budget, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/rec/annex2.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex2.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>34. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?</p> <ol style="list-style-type: none"> <li>Two years prior to the budget year (BY-2).</li> <li>Three years prior to the budget year (BY-3).</li> <li>Before BY-3.</li> <li>No actual data for government debt are presented in the budget or supporting budget documentation.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> DEBT POSITION OF THE GOVERNMENT OF INDIA <a href="http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<b>Comprehensiveness</b>	
<p>35. Does the executive's budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on extra-budgetary funds is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> CENTRAL PLAN OUTLAY BY MINISTRIES/DEPARTMENTS from Expenditure Budget Vol. I, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/eb/stat12.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat12.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on intergovernmental transfers is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Transfers to State and Union Territory Governments  <a href="http://indiabudget.nic.in/ub2007-08/eb/sbe35.pdf">http://indiabudget.nic.in/ub2007-08/eb/sbe35.pdf</a></p> <p>NON-PLAN GRANTS AND LOANS TO STATE &amp; U.T. GOVERNMENTS  <a href="http://indiabudget.nic.in/ub2007-08/eb/stat10.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat10.pdf</a></p> <p>PLAN GRANTS AND LOANS TO STATE &amp; UNION TERRITORY GOVERNMENTS  <a href="http://indiabudget.nic.in/ub2007-08/eb/stat17.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat17.pdf</a></p> <p>DIRECT TRANSFER OF CENTRAL PLAN ASSISTANCE TO STATE/DISTRICT LEVEL  AUTONOMOUS BODIES/IMPLEMENTING AGENCIES  <a href="http://indiabudget.nic.in/ub2007-08/eb/stat18.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat18.pdf</a></p> <p><u>Comment:</u>  The budget presents information on transfers (both as loan and grants) to state governments. However, in India, the governance structure is three tier. While extensive information on inter governmental transfers to State governments are provided in the budget docs, detailed information on flows to panchayat bodies is provided in the state budgets.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>37. Does the executive's budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on transfers to public corporations is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  DEPARTMENTAL COMMERCIAL UNDERTAKINGS  <a href="http://indiabudget.nic.in/ub2007-08/eb/stat07.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat07.pdf</a></p> <p>NON PLAN GRANTS AND LOANS TO PUBLIC ENTERPRISES  <a href="http://indiabudget.nic.in/ub2007-08/eb/stat09.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat09.pdf</a></p> <p>PLAN INVESTMENT IN PUBLIC ENTERPRISES  <a href="http://indiabudget.nic.in/ub2007-08/eb/stat14.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat14.pdf</a></p> <p>RESOURCES OF PUBLIC ENTERPRISES  <a href="http://indiabudget.nic.in/ub2007-08/eb/stat15.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat15.pdf</a></p> <p><u>Comment:</u>  On both commercial undertakings and public corporations, extensive information on transfers from the government is largely provided.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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<p>38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on quasi-fiscal activities is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Though a number of quasi-fiscal activities are undertaken in the year by government financial institutions, these are not reflected in the budget documents explicitly.</p> <p><b><u>Researcher’s Response to this Question was “c.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “d.” A number of government companies and institutions perform quasi-fiscal activities. For example, oil companies under price retail sales; the Reserve Bank of India intervenes in the currency markets and sterilizes these interventions which incur a cost. Even the total amount of subsidy/cost through these activities is not mentioned in the budget documents.</p> <p><b><u>BP Comment:</u></b> IBP editors chose answer, “d” consistent with peer reviewer’s observations.</p>	<p>d</p>
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<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value.</li> <li>Yes, information is presented, highlighting key information, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on financial assets is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  DEBT POSITION OF THE GOVERNMENT OF INDIA  <a href="http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf</a></p> <p>Annual Financial Statement from Union Budget 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/afs.htm">http://indiabudget.nic.in/ub2007-08/afs.htm</a></p> <p><u>Comment:</u>  A Statement of Assets as on 31<sup>st</sup> September of the preceding year is included as per the FRBM rule-6. Financial Assets of the Union Government comprise of revenue receipts, capital receipts, and public account receipts. Extensive information on these is provided in the budget documents itself in the annual financial statement. Extensive information on government assets both financial and non-financial assets are provided in some other documents than the executive's budget proposal. For more details please visit &lt;<a href="http://finmin.nic.in/downloads/reports/IPFStat200607.pdf">http://finmin.nic.in/downloads/reports/IPFStat200607.pdf</a>&gt; and CAG Documents. The full text of the Fiscal Responsibility and Budget Management (FRBM) Act and the associated rules are available in Appendix-C of a report by the Finance Ministry at &lt;<a href="http://finmin.nic.in/downloads/reports/frbm/8.pdf">http://finmin.nic.in/downloads/reports/frbm/8.pdf</a>&gt; (Page 183)</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value.</li> <li>b. Yes, information is presented, highlighting key information, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on non-financial assets is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  INDIAN PUBLIC FINANCE STATISTICS 2006-2007  <a href="http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf</a></p> <p>Annual Financial Statement from Union Budget 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/afs.htm">http://indiabudget.nic.in/ub2007-08/afs.htm</a></p> <p><u>Comment:</u>  Same as above in question 39.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on expenditure arrears is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  May be and answer 'e' would be more relevant as India does not practice a multy year budgeting system. Apart from the non-lapsable finds essentially meant for capital asset creation, expenditure arrears is not an issue, as the expenditure are settled on a year to year basis (no double entry book keeping) and the finances are closed on 31<sup>st</sup> of March every year.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “e” as all expenditure statements are carried over to the next year on 31 March each year.</p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “e.” For all the reasons in the above comment.</p> <p><b><u>BP Comment:</u></b> IBP editors chose answer, “d” consistent with the researcher’s observation.</p>	<p>d</p>
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<p>42. Does the executive's budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on contingent liabilities is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> DEBT POSITION OF THE GOVERNMENT OF INDIA from Receipts Budget, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex3.pdf</a></p> <p><u>Comment:</u> After the introduction of the Fiscal Responsibility and Budget Management (FRBM) Act (enacted in July 2003), contingency liabilities as per rule 6, is being placed as part of the receipt budget. The full text of the FRBM Act is available online on Appendix-C, page 183, of a report brought out by the Ministry of Finance. Please visit &lt; <a href="http://finmin.nic.in/downloads/reports/frbm/8.pdf">http://finmin.nic.in/downloads/reports/frbm/8.pdf</a> &gt;</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key future liabilities, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on future liabilities is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  CAPITAL RECEIPTS from Receipts Budget, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/rec/sumcap.pdf">http://indiabudget.nic.in/ub2007-08/rec/sumcap.pdf</a></p> <p>STATEMENT IA - DISBURSEMENTS “CHARGED” ON THE CONSOLIDATED FUND OF INDIA  <a href="http://indiabudget.nic.in/ub2007-08/afs/afs5.pdf">http://indiabudget.nic.in/ub2007-08/afs/afs5.pdf</a></p> <p><u>Comment:</u>  Liabilities for the current financial year are only listed in detail. Information on future liabilities are provided but no separate statement included.</p> <p><b><u>Researcher’s Response to this Question was “c.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “d.” Information is given only for the budget year, and not even for B+1.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” consistent with peer reviewer’s observation.</p>	<p>d</p>
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<p>44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ol style="list-style-type: none"> <li>All sources of donor assistance are identified individually.</li> <li>At least two-thirds of, but not all, sources of donor assistance, are identified individually.</li> <li>Less than two-thirds of sources of donor assistance are identified individually.</li> <li>No sources of donor assistance are identified individually.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> EXTERNAL ASSISTANCE from Receipts Budget, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/rec/annex2.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex2.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>45. Does the executive's budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key tax expenditures, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on tax expenditures is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Revenue foregone under the Central Tax System: Financial Years 2005-06 and 2006-07 from Receipts Budget, 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/rec/annex12.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex12.pdf</a></p> <p>Revenue foregone under the Central Tax System: Financial Years 2005-06 and 2006-07 <a href="http://indiabudget.nic.in/ub2007-08/srf/rfs.pdf">http://indiabudget.nic.in/ub2007-08/srf/rfs.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?</p> <ol style="list-style-type: none"> <li>All earmarked revenues are identified individually.</li> <li>At least two-thirds of, but not all, earmarked revenues are identified individually.</li> <li>Less than two-thirds of earmarked revenues are identified individually.</li> <li>No earmarked revenues are identified individually.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  TAX REVENUE  CORPORATION TAX from Receipts Budget, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf">http://indiabudget.nic.in/ub2007-08/rec/taxrev.pdf</a></p> <p>CAPITAL RECEIPTS from Receipts Budget, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/rec/sumcap.pdf">http://indiabudget.nic.in/ub2007-08/rec/sumcap.pdf</a></p> <p><u>Comment:</u>  For example 'education cess' which is an earmarked revenue meant for universalization of elementary and secondary education is collected as a proportion of all taxes. This is explicitly mentioned in the 'Receipts Budget' which is a supporting budget document.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?
- One percent or less of expenditure is dedicated to secret items.
  - Three percent or less, but more than one percent, of expenditure is dedicated to secret items.
  - Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.
  - More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.
  - Not applicable/other (please comment).

Citation:

Comment:

Expenditure on National Security / Defense Expenditure is roughly around 14.5 % of the Union Budget expenditure. However, military intelligence expenses are not presented in the budget. In 2006, during a survey for the previous open budget round, a member of Parliament, Mr. Nilotpal Basu (Rajya Sabha) said that the percentage of expenditure on secret items related to national security and military intelligence is not revealed even to the legislators. However, he expressed an opinion that the figure was around 8 percent of the total budget.

A report by the Federation of American Scientists (FSA) estimated the total budget of Research and Analysis Wing (RAW), which is India's foreign intelligence agency, to be Rs. 1500 crore in 2002 (or around 0.4% of budget in 2002-03) <<http://www.fas.org/irp/world/india/raw/index.html> >.

Another report

< <http://www.martinfrost.ws/htmlfiles/raw1.html> > states that the annual budget of Research and Analysis Wing (RAW) varies wildly between USD 16 Million a year to USD 145 million a year. In 1947, India had only two intelligence agencies: the Intelligence Bureau (IB) and Military Intelligence (MI). In 2007, it has eight such agencies: the IB, the Directorate-General of Security, the RAW, the Directorates-General of Military Intelligence, Air Intelligence, Naval Intelligence, the Defense Intelligence Agency and the National Technical Research Organisation. <<http://www.indiatogether.org/2007/oct/rvw-rawraman.htm> >

Organizations other than RAW spend less than what RAW spends. However, as per the discussion with experts on Public Finance issues in Human Rights, it is possible to draw some broad understanding and make some crude estimates on the expenditure by these agencies.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

d

<b>The Budget Narrative &amp; Performance Monitoring</b>	
<p>48. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the link between the budget and the government's stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on the link between the budget and the government's stated policy goals is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  PLAN OUTLAY 2007-2008 from Expenditure Budget Vol. I, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/eb/po.pdf">http://indiabudget.nic.in/ub2007-08/eb/po.pdf</a></p> <p>MEDIUM TERM FISCAL POLICY STATEMENT  <a href="http://indiabudget.nic.in/ub2007-08/frbm/frbm2.pdf">http://indiabudget.nic.in/ub2007-08/frbm/frbm2.pdf</a></p> <p><u>Comment:</u>  A few policy announcements such as those related to fiscal issues like deficits provide substantial information.</p> <p><b><u>Researcher's Response to this Question was "b."</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be "c" on account of such linkages being explained only for a few areas and only for a few units of the governments.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>BP Comment:</u></b> IBP editors chose answer, "c" consistent with the peer reviewer's observation.</p>	<p>c</p>

<p>49. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals for a multi-year period (for at least two years beyond the budget year)?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive information on the link between the budget and the government’s stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the major policy goals, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  MEDIUM TERM FISCAL POLICY STATEMENT  <a href="http://indiabudget.nic.in/ub2007-08/frbm/frbm2.pdf">http://indiabudget.nic.in/ub2007-08/frbm/frbm2.pdf</a></p> <p><u>Comment:</u>  After the implementation of FRBM Act, rolling targets for fiscal indicators are being set.</p> <p><b><u>Peer Reviewer One Comment:</u></b> I agree but while rolling targets for fiscal indicators are emerging, it is difficult to consider them as a part of the budget exercise. They are more like bridle on the executive functioning rather than legislative interventions towards multi-year policy goals.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>c</p>
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<p>50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ol style="list-style-type: none"> <li>Non-financial data are presented for all programs.</li> <li>Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.</li> <li>Non-financial data are presented for programs representing less than two-thirds of expenditure.</li> <li>No non-financial data are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  MINISTRY OF AGRO AND RURAL INDUSTRIES  DEMAND NO. 4  Ministry of Agro and Rural Industries  <a href="http://indiabudget.nic.in/ub2007-08/eb/sbe4.pdf">http://indiabudget.nic.in/ub2007-08/eb/sbe4.pdf</a></p> <p>Budget 2006-2007  <a href="http://indiabudget.nic.in/ub2007-08/impbud/impbud.pdf">http://indiabudget.nic.in/ub2007-08/impbud/impbud.pdf</a></p> <p><u>Comment:</u>  Information presented for very few programs, especially in Expenditure Budget Volume-II for certain departments under social and economic services and the budget speech.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>C</p>
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<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ol style="list-style-type: none"> <li>The non-financial data are very useful for assessing program performance.</li> <li>The non-financial data are mostly useful for assessing program performance.</li> <li>The non-financial data are somewhat useful for assessing program performance.</li> <li>No non-financial data are provided or they are not useful for assessing program performance.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Budget 2006-2007 <a href="http://indiabudget.nic.in/ub2007-08/impbud/impbud.pdf">http://indiabudget.nic.in/ub2007-08/impbud/impbud.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Researcher’s Response to this Question was “c.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “c.” As stated in Question 50, very few items in Expenditure II detail number of beneficiaries etc. While the outcome budgets available at individual ministry websites (for example, <a href="http://texmin.nic.in/ob_0007_cc.htm">http://texmin.nic.in/ob_0007_cc.htm</a> for Ministry of Textiles) list the different programs and their performance, this data is not detailed for many programs.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” consistent with the peer reviewer’s observation.</p>	<p>c</p>
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<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ol style="list-style-type: none"> <li>Performance indicators are presented for all programs.</li> <li>Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures.</li> <li>Performance indicators are presented for programs representing less than two-thirds of expenditures.</li> <li>No performance indicators are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Budget 2006-2007 <a href="http://indiabudget.nic.in/ub2007-08/impbud/impbud.pdf">http://indiabudget.nic.in/ub2007-08/impbud/impbud.pdf</a></p> <p><u>Comment:</u> Apart from fiscal targets, performance indicators are not presented for the current year. The implementation budget provides useful information but it is for the preceding years.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “b.” The outcome budgets (which are prepared within a couple of weeks of the budget date) provide this data.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” consistent with the researcher’s response.</p>	c
<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ol style="list-style-type: none"> <li>All performance indicators are well designed.</li> <li>Most performance indicators are well designed.</li> <li>Some performance indicators are well designed, but most are not.</li> <li>No programs have performance indicators, or they are not well designed.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> See the comment in Q52.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c

<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> <li>a. All performance indicators are used in conjunction with performance targets.</li> <li>b. Most performance indicators are used in conjunction with performance targets.</li> <li>c. Some performance indicators are used in conjunction with performance targets, but most are not.</li> <li>d. No performance indicators are used in conjunction with performance targets.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See answer to question 52.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>C</p>
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<p>55. Does the executive's budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country's most impoverished populations?</p> <p>a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on policies intended to alleviate poverty is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  PLAN OUTLAY 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/eb/po.pdf">http://indiabudget.nic.in/ub2007-08/eb/po.pdf</a></p> <p>NON-PLAN EXPENDITURE BY BROAD CATEGORIES from Expenditure Budget Vol. I, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/eb/stat04.pdf">http://indiabudget.nic.in/ub2007-08/eb/stat04.pdf</a></p> <p>MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION from Notes on Demands for Grants, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/eb/sbe55.pdf">http://indiabudget.nic.in/ub2007-08/eb/sbe55.pdf</a></p> <p>MINISTRY OF RURAL DEVELOPMENT from Notes on Demands for Grants, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/eb/sbe78.pdf">http://indiabudget.nic.in/ub2007-08/eb/sbe78.pdf</a></p> <p><u>Comment:</u>  Very limited information provided.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<b>Additional Key Information for Budget Analysis &amp; Monitoring</b>	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	

<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <p>a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Union Budget 2007-2008, Memorandum  <a href="http://indiabudget.nic.in/ub2007-08/memo.htm">http://indiabudget.nic.in/ub2007-08/memo.htm</a>  FINANCE BILL, 2007  PROVISIONS RELATING TO DIRECT TAXES  <a href="http://indiabudget.nic.in/ub2007-08/bill.htm">http://indiabudget.nic.in/ub2007-08/bill.htm</a>  NON-TAX REVENUE: INTEREST RECEIPTS, DIVIDENDS AND PROFITS  <a href="http://indiabudget.nic.in/ub2007-08/rec/ntaxrev.pdf">http://indiabudget.nic.in/ub2007-08/rec/ntaxrev.pdf</a></p> <p><u>Comment:</u>  Detailed information on tax rates is available. The availability and level of details for non-tax receipts are also satisfactory.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ol style="list-style-type: none"> <li>Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an analysis is presented; highlighting key aspects of the distribution, but some details are excluded.</li> <li>Yes, some analysis is presented, but it lacks important details.</li> <li>No analysis on the distribution of the tax burden is presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Union Budget 2007-2008, Finance Bill  <a href="http://indiabudget.nic.in/ub2007-08/bill.htm">http://indiabudget.nic.in/ub2007-08/bill.htm</a></p> <p><u>Comment:</u>  From the Finance Bill and its Memorandum, it is possible to draw some inferences. However, no separate statement on distribution of Tax Burden is presented.</p> <p><b><u>Researcher’s Response to this Question was “c.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “d.” There is very limited data. For example, it would not be possible to make an estimate of how much tax burden (both direct and indirect) is being borne by different income groups.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” consistent with the peer reviewer’s observation.</p>	<p>d</p>
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<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <p>a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.</p> <p>b. Yes, information is presented, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on conditions associated with IFI assistance is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  <a href="http://finmin.nic.in/the_ministry/dept_eco_affairs/aids_accounts_audit/caaa/brochure/2k06/writeup/writeup.pdf">http://finmin.nic.in/the_ministry/dept_eco_affairs/aids_accounts_audit/caaa/brochure/2k06/writeup/writeup.pdf</a></p> <p>External Assistance Brochure 2005-2006  <a href="http://finmin.nic.in/the_ministry/dept_eco_affairs/aids_accounts_audit/caaa/brochure/2k06/index.htm">http://finmin.nic.in/the_ministry/dept_eco_affairs/aids_accounts_audit/caaa/brochure/2k06/index.htm</a></p> <p>INDIA'S EXTERNAL DEBT: A Status Report  <a href="http://finmin.nic.in/the_ministry/dept_eco_affairs/economic_div/Indian%20External%20Debt06E.pdf">http://finmin.nic.in/the_ministry/dept_eco_affairs/economic_div/Indian%20External%20Debt06E.pdf</a></p> <p>EXTERNAL ASSISTANCE from Receipts Budget, 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/rec/annex2.pdf">http://indiabudget.nic.in/ub2007-08/rec/annex2.pdf</a></p> <p><u>Comment:</u>  Not a part of budget documents.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.</li> <li>b. Yes, information is presented, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on conditions associated with donor country assistance is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> External Assistance Brochure 2005-2006 <a href="http://finmin.nic.in/the_ministry/dept_eco_affairs/aids_accounts_audit/caaa/brochure/2k06/index.htm">http://finmin.nic.in/the_ministry/dept_eco_affairs/aids_accounts_audit/caaa/brochure/2k06/index.htm</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “b” because some of this information becomes easily available for most donor-supported programs after a brief ‘cooling period.’</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ol style="list-style-type: none"> <li>a. Yes, it provides a summary that is very informative.</li> <li>b. Yes, it provides a summary that is somewhat informative.</li> <li>c. Yes, but the summary is not very informative.</li> <li>d. No, it does not provide a summary.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> BUDGET AT A GLANCE Union Budget 2007-2008 <a href="http://indiabudget.nic.in/ub2007-08/glance.htm">http://indiabudget.nic.in/ub2007-08/glance.htm</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <p>a. Yes, it publishes a citizens budget that is very informative.  b. Yes, it publishes a citizens budget that is somewhat informative.  c. Yes, but the citizens budget is not very informative.  d. No, it does not publish a citizens budget.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  <a href="http://indiabudget.nic.in/ub2007-08/glance.htm">http://indiabudget.nic.in/ub2007-08/glance.htm</a>  KEY TO BUDGET DOCUMENTS: BUDGET 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/keybudget.htm">http://indiabudget.nic.in/ub2007-08/keybudget.htm</a>  Key Features of Budget 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/high.htm">http://indiabudget.nic.in/ub2007-08/high.htm</a></p> <p><u>Comment:</u>  However, even the non-technical presentations made in these documents are not always easy to understand as far as common masses are concerned.</p> <p><b><u>Researcher’s Response to this Question was “a.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “b.” These documents are still too technical for a lay person.</p> <p><b><u>BP Comment:</u></b> IBP editors chose answer, “b” consistent with the peer reviewer’s observations.</p>	b
<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <p>a. Yes, thorough definitions of budget terms are provided.  b. Yes, definitions are provided, but some details are excluded.  c. Yes, some definitions are provided, but it lacks important details.  d. No, definitions are not provided.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  KEY TO BUDGET DOCUMENTS: BUDGET 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/keybudget.htm">http://indiabudget.nic.in/ub2007-08/keybudget.htm</a></p> <p><u>Comment:</u>  Apart from this document, all other documents contain notes and explanations to different items.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ol style="list-style-type: none"> <li>a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.</li> <li>b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.</li> <li>c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.</li> <li>d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u>  Apart from information on secret services, all other information including those on budget is accessible by the public. Right to Information Act made the process even easier. If there exist a certain information, it is available to the public although in certain cases, at the sub national level, the Rright to Information is yet to be implemented in its true spirit. Please visit &lt; <a href="http://persmin.nic.in/RTI/RTI-Act.pdf">http://persmin.nic.in/RTI/RTI-Act.pdf</a> &gt; for more details on the Act.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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<p>64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it (for example, from a ministry or agency)?</p> <p>a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.</p> <p>b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</p> <p>c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.</p> <p>d. In practice, no highly disaggregated expenditure information is available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Department of Agriculture &amp; Cooperation  <a href="http://agricoop.nic.in/Budget/Demand/demands07-08.pdf">http://agricoop.nic.in/Budget/Demand/demands07-08.pdf</a></p> <p>Detailed Demands for Grants of Ministry of Finance for 2006-2007  <a href="http://finmin.nic.in/downloads/reports/detaildg200607.pdf">http://finmin.nic.in/downloads/reports/detaildg200607.pdf</a></p> <p>Detailed Demands for Grants of Ministry of Steel for 2007-2008  <a href="http://steel.gov.in/Performance%20Budget%20(2007-08)/demand%20for%20grants.pdf">http://steel.gov.in/Performance%20Budget%20(2007-08)/demand%20for%20grants.pdf</a></p> <p><u>Comment:</u>  Many ministries have started publishing the demands for grants for their respective ministries on their website. The above citations are just a few examples.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it from a ministry or agency?</p> <p>a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.</p> <p>b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</p> <p>c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.</p> <p>d. In practice, no highly disaggregated non-financial expenditure information is available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  OUTCOME BUDGET: 2007-2008  DEPARTMENT OF HIGHER EDUCATION  <a href="http://www.education.nic.in/planbudget/OutcomeBudget07-08-HE.pdf">http://www.education.nic.in/planbudget/OutcomeBudget07-08-HE.pdf</a></p> <p>Department of Information Technology - Outcome Budget 2007-08  <a href="http://www.mit.gov.in/download/outcomebudget2007-08statusason30092007.pdf">http://www.mit.gov.in/download/outcomebudget2007-08statusason30092007.pdf</a></p> <p><u>Comment:</u>  Though often not very timely, outcome budgets provide handy information on the non financial informations related to expenditures. Many programs have their own websites that provide non financial information.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> I agree with “a.” Outcome budgets are presented within 2-3 weeks of the budget and before the budget is approved by Parliament.</p>	<p>a</p>
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## **Section Three: The Budget Process**

<p><b>The Budget Process</b></p>	
<p><b>Executive's Formulation of the Budget</b></p>	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> <li>a. The release date is set in permanent law.</li> <li>b. The executive announces the release date at least two months in advance.</li> <li>c. The executive announces the release date less than two months but more than two weeks in advance.</li> <li>d. The executive announces the release date two weeks or less before the release, or makes no announcement.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u>  The release date is not set in permanent law and the President (at the advice of the council of ministers) has the authority to announce the release date of the budget. Normally, the budget is released on 28th or 29th February, every year. However, in a few instances, budgets are presented in other months. One recent example is in 2004-05 when the budget was presented on July 8, 2004 – due to a change in government. During last round of open budget survey (OBI 2006), the peer reviewer-2 also noted that "... in some cases (e.g. when general elections are due to be called), a Vote on Account is presented in February, to be followed by a full budget later in the year when the new government has taken office, as was the case in the FY 2004-05. This is done to allow the new government to prioritise its policies in the annual budget."</p> <p><b><u>Peer Reviewer One Comment:</u></b> I agree. However, it may be noted that budget date while not determined by law, has been fixed to the last few days of February each year for many years. The only cases in which a full budget is presented later in the year are in those instances when elections are due (for whatever reason). In such cases, a 'Vote on Account' is presented in February to ensure legal basis for continuance of the Union government's expenditure until a full budget can be presented for the rest of the year; soon after the new government has taken office.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>

<p>67. Does the executive release to the public its timetable for preparation of the executive's budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or what ever central government agency is in charge of coordinating the budget's formulation)?</p> <p>a. Yes, a detailed timetable is released to the public.  b. Yes, a timetable is released, but some details are excluded.  c. Yes, a timetable is released, but it lacks important details.  d. No, a timetable is not issued to the public.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  BUDGET CIRCULAR: 2008-09  <a href="http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2008-09.pdf">http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2008-09.pdf</a>  See, for example, page 17 of the document</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <p>a. The executive adheres to the dates in its timetable.  b. The executive adheres to most of the key dates in its timetable.  c. The executive has difficulty adhering to most of the dates in its timetable.  d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  BUDGET CIRCULAR: 2008-09  <a href="http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2008-09.pdf">http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2008-09.pdf</a></p> <p><u>Comment:</u>  It has nothing to do with adherence to the time table. The closing dates are mandatory for each department.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> <li>a. Yes, the executive holds extensive consultations with a wide range of legislators.</li> <li>b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded.</li> <li>c. Yes, the executive holds very limited consultations, involving only a few members of the legislature.</li> <li>d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  <a href="http://164.100.24.209/news/finacecommittee.aspx">http://164.100.24.209/news/finacecommittee.aspx</a></p> <p><u>Comment:</u>  The executive holds consultation with the standing committee members of the finance ministry. However, broad sectoral priorities are set by the Five Year Plans and the annual Plans as suggested by the Planning Commission and the Finance Commission. Many underlying assumptions made by the Budget Division in the Finance Ministry and different financial committees of the parliament like (a) Estimates Committee, (b) the Public Accounts Committee and (c) the Public Undertakings Committee set the broad priorities.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “b.” Relevant Parliamentary bodies are consulted, all of whom comprise of legislators.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” consistent with the researcher’s response.</p>	<p>C</p>
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<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> <li>Yes, the executive holds extensive consultations with a wide range of constituencies.</li> <li>Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.</li> <li>Yes, the executive holds very limited consultations, involving only a few constituencies.</li> <li>No, the executive does not typically consult with the public as part of the budget preparation process.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Constituencies are limited to business houses, industry associations, chambers of commerce and occasionally, organized labor.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> <li>The executive releases a pre-budget statement at least four months in advance of the start of the budget year.</li> <li>The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year.</li> <li>The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.</li> <li>The executive does not release a pre-budget statement.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Pre-budget statements are not produced in India, not even for internal purposes. However, the different ministries send their demands to the budget division of the Finance Ministry that compiles those demands in formulating the budget that is presented as a proposal on the last day of the month of February. Individual ministries however invite pre budget statements from line departments and other agencies. For example, see &lt; <a href="http://www.commerce.nic.in/budget/pre-budget-proposal-2007-2008.pdf">http://www.commerce.nic.in/budget/pre-budget-proposal-2007-2008.pdf</a> &gt;</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ol style="list-style-type: none"> <li>a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented; highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Macro-Economic Framework Statement  Medium Term Fiscal Policy Statement  Fiscal Policy Strategy Statement  From Union Budget 2007-2008  <a href="http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf">http://indiabudget.nic.in/ub2007-08/frbm/frbm1.pdf</a></p> <p><u>Comment:</u>  The above link is for the original budget proposal and not for a pre-budget statement.</p> <p><b><u>Peer Reviewer One Comment:</u></b> I agree but it is also useful to note that various policy pronouncements over the year do lay down the macro-economic framework. This is especially important since this section is not focused on the budget documents only but also includes other documents and pronouncements of the executive.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> India does not produce a pre-budget statement, not even for internal purposes. However, different ministries send their demands to the budget division of the Finance Ministry that compiles those demands in formulating the budget that is presented as a proposal on the last day of the month of February.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<b>Legislative Approval of the Budget</b>	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> <li>The legislature receives the budget at least three months before the start of the budget year.</li> <li>The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year.</li> <li>The legislature receives the budget less than six weeks before the start of the budget year.</li> <li>The legislature does not receive the budget before the start of the budget year.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The legislators usually receive the budget document on the same as when the budget proposal is released in end of February, which is less than six weeks before the start of the budget year.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c

<p>75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?</p> <ul style="list-style-type: none"> <li>a. Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies.</li> <li>b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.</li> <li>c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.</li> <li>d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  <a href="http://164.100.24.207/committeereports/Finance/14ls51streport.pdf">http://164.100.24.207/committeereports/Finance/14ls51streport.pdf</a>   <a href="http://164.100.24.207/committeereports/Finance/14ls53rdreport.pdf">http://164.100.24.207/committeereports/Finance/14ls53rdreport.pdf</a></p> <p><u>Comment:</u>  The meetings (not hearings) touch upon macroeconomic and fiscal policy issues though they are not very focussed.</p> <p><b><u>Researcher’s Response to this Question was “d.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “d.” Though the ministry testifies to the Parliamentary Committee, these hearings are closed door meetings, not accessible even to accredited press.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” consistent with the peer reviewer’s response.</p>	<p>d</p>
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<p>76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.</li> <li>b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.</li> <li>c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.</li> <li>d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://164.100.24.209/news/depcomp.aspx">http://164.100.24.209/news/depcomp.aspx</a></p> <p><u>Comment:</u>  Please go to "Reports" section after selecting specific departments. The budgets of specific Ministries/departments are called "Demand for Grants" in India. Please browse through different links for more ministries, departments.</p> <p><b><u>Researcher’s Response to this Question was “a.”</u></b></p> <p><b><u>Peer Reviewer Comment:</u></b> A more appropriate response to this question would be “b” owing to the fact that all the hearings of all the Parliamentary Standing Committee are not public, though their reports are.</p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “d.” These meetings are not accessible to the public or the press.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” consistent with the peer reviewer’s observation.</p>	<p>d</p>
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<p>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.</li> <li>b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.</li> <li>c. Yes, a limited number of hearings are held in which testimony from the public is heard.</li> <li>d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Some committees that can have an influence over the budget and the budget process such as the Planning Commission or National Advisory Council and so on, there are invited members from the civil society and the academia. However, these people are only selected by the committees and are not necessarily the representatives of the public.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ul style="list-style-type: none"> <li>a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.</li> <li>b. Yes, the committees release reports, but some details are excluded.</li> <li>c. Yes, the committees release reports, but they are not very informative.</li> <li>d. No, the committees do not release reports or do not hold public hearings.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  No public hearing is held. However, the Finance Minister makes limited consultations with the public and makes sporadic revelation (disclosure) of some proposals to assess public opinion on certain issues. For example, during Sept-October 2007, the Finance Minister made statements on possible tax rate moderations in the forthcoming budget. However, when both media and sections of experts responded to this and in subsequent public gatherings, the Finance Minister repeatedly said that no tax cuts will be made in the forthcoming budget.</p> <p><b><u>Researcher’s Response to this Question was “d.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “e” on account of the explanation already provided by the researcher.</p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “b.” Each departmentally related standing committee considers the demand for grants and the respective ministry testifies. The report of these committees are made public and posted on parliament’s website. They do not include any written testimony.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “b” consistent with the researcher’s response.</p>	<p>b</p>
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<p>79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?</p> <p>a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.</p> <p>b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> Please refer to the comment in question 47.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <p>a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget.</p> <p>b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations.</p> <p>c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited.</p> <p>d. No, the legislature does not have any authority <i>in law</i> to amend the budget.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> <a href="http://india.gov.in/govt/constitutions_india.php">http://india.gov.in/govt/constitutions_india.php</a></p> <p><u>Comment:</u> Budget has two major parts. (a) Receipts as described in the Finance Bill and (b) Expenditures as described in the Non Charged part of the Annual Financial Statement and floated through the demand for Grants.</p> <p>Please see the text of the Article 113 of the Indian Constitution below for expenditure matters and the text of Articles 109 and 110 as regards to the Finance Bill</p> <p>Article 113 Procedure in Parliament with respect to estimates (1) So much of the estimates as relates to expenditure charged upon the Consolidated Fund of India shall not be submitted to the vote of Parliament, but nothing in this clause shall be construed as preventing the discussion in either House of Parliament of any of those estimates.</p> <p>(2) So much of the said estimates as relates to other expenditure shall be submitted in the form of demands for grants to the House of the People, and the House of the People shall have power to assent, or to refuse to assent, to any demand, or to assent to any demand subject to a reduction the amount specified therein.</p>	b

(3) No demand for a grant shall be made except on the recommendation of the President.

Article 109 Special procedure in respect of Money Bills

(1) A Money Bill shall not be introduced in the Council of States.

(2) After a Money Bill has been passed by the House of the People it shall be transmitted to the Council of States for its recommendations and the Council of States shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the House of the People with its recommendations and the House of the People may thereupon either accept or reject all or any of the recommendations of the Council of States.

(3) If the House of the People accepts any of the recommendations of the Council of States, the Money Bill shall be deemed to have been passed both Houses with the amendments recommended by the Council of States and accepted by the House of the People.

(4) If the House of the People does not accept any of the recommendations of the Council of States, the Money Bill shall be deemed to have been passed by both Houses in the form in which it was passed by the House of the People without any of the amendments recommended by the Council of States.

(5) If a Money Bill passed by the House of the People and transmitted to the Council of States for its recommendations is not returned to the House of the People within the said period of fourteen days, it shall be deemed to have been passed by both Houses at the expiration of the said period in the form in which it was passed by the House of the People.

Article 110 Definition of "Money Bills"

(1) For the purpose of this Chapter, a Bill shall be deemed to be a Money Bill if it contains only provisions dealing with all or any of the following matters, namely: -

(a) the imposition, abolition, remission, alteration or regulation of any tax;

(b) the regulation of the borrowing of money or the giving of any guarantee by the Government of India or the amendment of the law with respect to any financial obligations undertaken or to be undertaken by the Government of India;

(c) the custody of the Consolidated Fund or the Contingency Fund of India, the payment of moneys into or the withdrawal of moneys from any such Fund;

(d) the appropriation of moneys out of the Consolidated Fund of India;

(e) the declaration of any expenditure to be expenditure charged on the Consolidated Fund of India or the increasing of the amount of any such expenditure;

(f) the receipt of money on account of the Consolidated Fund of India or the public account of India or the custody or issue of such money or the audit of the accounts of the Union or of a State; or

(g) any matter incidental to any of the matters specified in sub-clause (a) to (f).

(2) A Bill shall not be deemed to be a Money Bill by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licenses or fees for services rendered, or by reason that it provides for the imposition, abolition, remission, alteration or regulation of any tax by any local authority of body for local purposes.

(3) If any question arises whether a Bill is a Money Bill or not, the decision of the Speaker of the House of the People thereon shall be final.

(4) There shall be endorsed on every Money Bill when it is transmitted to the Council of States under article 109, and when it is presented to the President for assent under article 111, the certificate of the Speaker of the House of the People signed by him that it is a Money Bill.

<p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “a” as the only sections of the budget that cannot be amended relate to expenditures ‘charged’ to the Consolidated Fund of India. Only expenditures chargeable to the Consolidated Fund of India are those relating to constitutional functionaries, but “nothing in this clause shall be construed as preventing the discussion in either House of Parliament of any of those estimates” (Article 113 (1)). The idea behind this provision is to ensure important constitutional bodies such as the Supreme Court of India and the Union Public Service Commission are not beholden to the legislature for meeting their expenses and can therefore, function impartially and not to limit the legislature’s powers to amend the budget.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “b” consistent with the researcher’s response.</p>	
<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ol style="list-style-type: none"> <li>a. The approved budget includes program-level detail.</li> <li>b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).</li> <li>c. The approved budget includes only departmental totals.</li> <li>d. The approved budget includes less information than departmental totals.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> In practice, apart from some minor revenue (taxes and fees) proposals, the entire budget is approved by the legislature in the same format as the executive’s budget proposal, i.e., program level details provided in the budget proposal is also approved simultaneously.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>

<b>Executive's Implementation of the Budget</b>	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> <li>In-year reports on actual expenditure are released at least every month.</li> <li>In-year reports on actual expenditure are released at least every quarter.</li> <li>In-year reports on actual expenditure are released at least semi-annually.</li> <li>In-year reports on actual expenditure are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Government of India, Union Government Accounts at a Glance As at the end of November 2007 <a href="http://cga.nic.in/html/data0711.Htm">http://cga.nic.in/html/data0711.Htm</a></p> <p><u>Comment:</u> The in-year reports are not fully consistent with economic, functional and administrative classifications and are not published at the end of each month. Sometimes, the reports are published with a lag of 3-4 months. However, the reports cover monthly data. For example, in the above citation, we have information till November 2007.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> I agree with “a.” However, I would point out that this data is available with one month lag. For example, today (September 12), I can see data updated to July 31.</p>	a
<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> <li>Yes, in-year reports cover all expenditures.</li> <li>Yes, in-year reports cover at least two-thirds, but not all, of expenditures.</li> <li>Yes, in-year reports cover less than two-thirds of expenditures.</li> <li>No in-year reports are released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Government of India Union Government Accounts at a Glance As at the end of November 2007 <a href="http://cga.nic.in/html/data0711.Htm">http://cga.nic.in/html/data0711.Htm</a></p> <p><u>Comment:</u> Though the in-year reports are not very consistent with a regular format of functional and economic classifications, they cover all the government expenditures.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ol style="list-style-type: none"> <li>The in-year reports on actual expenditures organized by administrative unit contain program-level detail.</li> <li>The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs).</li> <li>The in-year reports on actual expenditures organized by administrative unit contain only departmental totals.</li> <li>The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Government of India Union Government Accounts at a Glance As at the end of November 2007 <a href="http://cga.nic.in/html/data0711.Htm">http://cga.nic.in/html/data0711.Htm</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p>85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ol style="list-style-type: none"> <li>Yes, comparisons are made for all expenditures.</li> <li>Yes, comparisons are made for at least two-thirds, but not all, of expenditures.</li> <li>Yes, but comparisons are made for less than two-thirds of expenditures.</li> <li>No, comparisons are not made, or no in-year reports are released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Government of India, Union Government Accounts at a Glance As at the end of November 2007 <a href="http://cga.nic.in/html/data0711.Htm">http://cga.nic.in/html/data0711.Htm</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ol style="list-style-type: none"> <li>In-year reports on actual revenue collections by source of revenue are released at least every month.</li> <li>In-year reports on actual revenue collections are released at least every quarter.</li> <li>In-year reports on actual revenue collections are released at least semi-annually.</li> <li>In-year reports on actual revenue collections by source of revenue are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation and/or comment:</u> Government of India, Union Government Accounts at a Glance As at the end of November 2007 <a href="http://cga.nic.in/html/data0711.Htm">http://cga.nic.in/html/data0711.Htm</a></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ol style="list-style-type: none"> <li>In-year reports cover the actual revenue collections of all sources of revenue.</li> <li>In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.</li> <li>In-year reports cover actual revenue collections of less than two-thirds of revenue sources.</li> <li>In-year reports on actual revenue collections are not released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Government of India, Union Government Accounts at a Glance As at the end of November 2007 <a href="http://cga.nic.in/html/data0711.Htm">http://cga.nic.in/html/data0711.Htm</a></p> <p><u>Comment:</u> The information on debt creating capital receipts are presented in other documents released by the Ministry of Finance. Please visit <a href="http://finmin.nic.in/stats_data/central_govt_borrowings/index.html">http://finmin.nic.in/stats_data/central_govt_borrowings/index.html</a> and by the reserve Bank of India RBI on a weekly basis Please visit <a href="http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008">http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008</a></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <p>a. Yes, comparisons are made for all revenue sources.  b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources.  c. Yes, but comparisons are made for less than two-thirds of revenue sources.  d. No, comparisons are not made, or no in-year reports are released to the public.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Government of India, Union Government Accounts at a Glance  As at the end of November 2007  <a href="http://cga.nic.in/html/data0711.Htm">http://cga.nic.in/html/data0711.Htm</a></p> <p><u>Comment:</u>  The information on debt creating capital receipts are presented in other documents released by the Ministry of Finance on a quarterly basis. Please visit &lt; <a href="http://finmin.nic.in/stats_data/central_govt_borrowings/index.html">http://finmin.nic.in/stats_data/central_govt_borrowings/index.html</a> &gt; and by the reserve Bank of India RBI on a weekly basis Please visit &lt; <a href="http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008">http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008</a> &gt;</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ol style="list-style-type: none"> <li>Yes, in-year reports on actual borrowing are released at least every month.</li> <li>Yes, in-year reports on actual borrowing are released at least every quarter.</li> <li>Yes, in-year reports on actual borrowing are released at least semi-annually.</li> <li>No, in-year reports on actual borrowing are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Central Government Borrowings  <a href="http://finmin.nic.in/stats_data/central_govt_borrowings/index.html">http://finmin.nic.in/stats_data/central_govt_borrowings/index.html</a></p> <p>Weekly Statistical Supplements  <a href="http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008">http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008</a></p> <p><u>Comment:</u>  The information on debt creating capital receipts are presented in other documents released by the Ministry of Finance. Please visit &lt; <a href="http://finmin.nic.in/stats_data/central_govt_borrowings/index.html">http://finmin.nic.in/stats_data/central_govt_borrowings/index.html</a> &gt; and by the Reserve Bank of India (RBI) on a weekly basis Please visit &lt; <a href="http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008">http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008</a> &gt;</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?</p> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Quarterly Data on Central Government Debt  <a href="http://finmin.nic.in/stats_data/central_govt_borrowings/index.html">http://finmin.nic.in/stats_data/central_govt_borrowings/index.html</a>  Weekly Statistical Supplements  <a href="http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008">http://rbi.org.in/scripts/WSSViewDetail.aspx?TYPE=Basic&amp;PARAM1=1/11/2008</a>  India's External Debt for the Quarter Ended September 2007, published in December 2007  <a href="http://www.finmin.nic.in/the_ministry/dept_eco_affairs/economic_div/External_Debt_Qsept07.pdf">http://www.finmin.nic.in/the_ministry/dept_eco_affairs/economic_div/External_Debt_Qsept07.pdf</a></p> <p><u>Comment:</u>  Details on the external debt available on a quarterly basis.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
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<p>91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?</p> <p>a. Reports are released 1 month or less after the end of the period.  b. Reports are released 2 months or less (but more than 1 month) after the end of the period.  c. Reports are released more than 2 months after the end of the period.  d. In-year reports are not released.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Government of India, Union Government Accounts at a Glance  As at the end of November 2007  <a href="http://cga.nic.in/html/data0711.Htm">http://cga.nic.in/html/data0711.Htm</a></p> <p><u>Comment:</u></p> <p><b><u>Researcher’s Response to this Question was “b.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “a.” Monthly reports are released with a one month lag, except for March, which is released in May. See <a href="http://www.cga.nic.in/html/arc0304.htm">http://www.cga.nic.in/html/arc0304.htm</a>.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “a” consistent with the peer reviewer’s observation.</p>	<p>a</p>
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<p>92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?</p> <ol style="list-style-type: none"> <li>Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.</li> <li>Yes, the mid-year review includes a discussion of the economy, but it lacks some details.</li> <li>Yes, the mid-year review includes a discussion of the economy, but it lacks important details.</li> <li>No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Mid-Year Review for BY 2007-2008 <a href="http://finmin.nic.in/downloads/reports/MYREnglish07.pdf">http://finmin.nic.in/downloads/reports/MYREnglish07.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ol style="list-style-type: none"> <li>Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.</li> <li>Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.</li> <li>Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.</li> <li>No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Mid-Year Review for BY 2007-2008 <a href="http://finmin.nic.in/downloads/reports/MYREnglish07.pdf">http://finmin.nic.in/downloads/reports/MYREnglish07.pdf</a></p> <p><u>Comment:</u> Details on revised estimates are presented in the budget proposal only.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ol style="list-style-type: none"> <li>The mid-year review includes program-level detail for expenditures.</li> <li>The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs).</li> <li>The mid-year review includes only departmental totals (or functional totals).</li> <li>The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Mid-Year Review for BY 2007-2008 <a href="http://finmin.nic.in/downloads/reports/MYREnglish07.pdf">http://finmin.nic.in/downloads/reports/MYREnglish07.pdf</a></p> <p><u>Comment:</u> The mid-year review is comprehensive as far as macro economic outlook is concerned. However, it does not provide program level details.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ol style="list-style-type: none"> <li>Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.</li> <li>Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided.</li> <li>Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.</li> <li>No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Revised estimates are presented only in the budget proposal.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain *minimal* level specified in law or regulation)?
- Yes, the executive seeks approval from the legislature before shifting funds between administrative units.
  - Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.
  - Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.
  - No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below).
  - Not applicable/other (please comment).

**Citation:**

General Financial Rules, 2005, Government of India, Ministry of Finance,  
Department of Expenditure  
[http://finmin.nic.in/the\\_ministry/dept\\_expenditure/GFRS/GFR2005.pdf](http://finmin.nic.in/the_ministry/dept_expenditure/GFRS/GFR2005.pdf)

**Comment:**

During contingencies, the government draws resources from the contingency fund and in the legislative session which follows the event, the government seeks legislative approval for refunding the contingency fund to the extent that resources were drawn from the fund.

When resources are used for non emergency purposes, prior approval from the secretary, department of expenditure is required; no prior approval from the legislature is required and a report on the use of these funds is submitted and approval sought from the legislature in the subsequent legislative session. During last round of Open Budget Survey, the answer to this question was 'c' however, after revisiting the issue, an appropriate answer should be (b) as the reasons valid for an answer 'c' only pertains to emergency situations and not a normal course. Please also refer to Article-109 to 111 for more details about money Bills.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

b

97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?

- a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.
- b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.
- c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.
- d. No, the procurement process was not open and competitive in practice.
- e. Not applicable/other (please comment).

Citation:

The 43<sup>rd</sup> Report relating to the calendar year 2006 by the Central Vigilance Commission  
<http://cvc.nic.in/ar2006.pdf>

CAG indicts Health Ministry for lapses in medical equipment procuring norms from The Hindu Business Line  
<http://www.thehindubusinessline.com/2007/11/28/stories/2007112851791200.htm>

Union Audit Reports  
(Performance Audit - Report No. 20 of 2007)  
2005-2006  
[http://cag.nic.in/html/reports/civil/2007\\_20\\_peraud/contents.htm](http://cag.nic.in/html/reports/civil/2007_20_peraud/contents.htm)

CAG finds FCI grains' export operation 'inept' by The Hindu Business Line  
<http://www.thehindubusinessline.com/2005/05/10/stories/2005051002010300.htm>

Comment:

Most audit reports present a view that the government agencies deviate rules.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

C

98. When does the legislature typically approve supplemental budgets?

- a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).
- b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify).
- c. Not applicable/other (please comment).

Citation:

Supplementary Demands for Grans: For Expenditure of the Central Government 2007-2008

[http://finmin.nic.in/the\\_ministry/dept\\_eco\\_affairs/budget/2nd%20supp%202007-08.pdf](http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/2nd%20supp%202007-08.pdf)

Comment:

Only except for the conditions of emergency, the answer to this question should be 'a' instead of 'b'.

Supplemental budgets are presented and approved in the following cases:

1. If the executive does not have a full financial year in its term;
2. If the executive announces new fiscal plans in the middle of a budget year; or
3. In case of emergencies.

Article 115 of the Constitution of India relating to supplementary grants states that: "115. Supplementary, additional or excess grants.— (1) The President shall—

(a) if the amount authorized by any law made in accordance with the provisions of article 114 to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, or

(b) if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, cause to be laid before both the Houses of Parliament another statement showing the estimated amount of that expenditure or cause to be presented to the House of the People a demand for such excess, as the case may be.

(2) The provisions of articles 112, 113 and 114 shall have effect in relation to any such statement and expenditure or demand and also to any law to be made authorizing the appropriation of moneys out of the Consolidated Fund of India to meet such expenditure or the grant in respect of such demand as they have effect in relation to the annual financial statement and the expenditure mentioned therein or to a demand for a grant and the law to be made for the authorization of appropriation of moneys out of the Consolidated Fund of India to meet such expenditure or grant."

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

a

99. In most years, how large are supplemental budget requests relative to the size of the original budget?
- Supplemental budgets are generally equal to 2 percent or less of the original budget.
  - Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.
  - Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.
  - Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets.
  - Not applicable/other (please comment).

**Citation:**

Supplementary Demands for Grants: For Expenditure of the Central Government 2007-2008  
[http://finmin.nic.in/the\\_ministry/dept\\_eco\\_affairs/budget/2nd%20supp%202007-08.pdf](http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/2nd%20supp%202007-08.pdf)

**Comment:**

The first and second supplementary demands taken together account for around 8 percent of the original budget proposed. The government has already given a request for the third and final demand (amount yet to be clear) covering 44 ministries. See page 145 of the Comptroller and Auditor-General of India (CAG) Report < [http://cag.nic.in/html/reports/civil/2007\\_13\\_reg/contents.htm](http://cag.nic.in/html/reports/civil/2007_13_reg/contents.htm) > that shows that the share of supplementary budget was 27 %, 44% and 28% of the original budgets during three consecutive years preceding 2006-07. In the earlier round of Open Budget survey we answered 'c' for this question. But now we have changed it to 'd.'

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “c.” The total “cash outgo” through supplementary budgets was 9.6% of the original budget. This does not include the “technical supplementary” in which expenditure items are reallocated (and there is no net incremental spending).

**IBP Comment:** IBP editors chose answer, “d” consistent with the researcher’s response.

d

<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ol style="list-style-type: none"> <li>a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.</li> <li>b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.</li> <li>c. Expenditures are approved after the end of the fiscal year, for example in the next budget.</li> <li>d. Such expenditure takes place without legislative approval.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Article 267 of the Indian Constitution  <a href="http://india.gov.in/govt/documents/english/Art243-395_89-184pp_.pdf">http://india.gov.in/govt/documents/english/Art243-395_89-184pp_.pdf</a></p> <p><u>Comment:</u>  Refer to Article 267 of the Indian Constitution, which states that:  “Contingency Fund — (1) Parliament may by law establish a Contingency Fund in the nature of an imprest to be entitled “the Contingency Fund of India” into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the President to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by Parliament by law under article 115 or article 116.”</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
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<b>Executive's Year-end Report and the Supreme Audit Institution</b>	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> <li>The report is released six months or less after the end of the fiscal year.</li> <li>The report is released 12 months or less (but more than six months) after the end of the fiscal year.</li> <li>The report is released more than 12 months after the end of the fiscal year.</li> <li>The executive does not release a year-end report.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Union Audit Reports: Accounts of Union Government  (Report No. 13 of 2007) 2006-2007  <a href="http://cag.nic.in/html/reports/civil/2007_13_reg/contents.htm">http://cag.nic.in/html/reports/civil/2007_13_reg/contents.htm</a></p> <p>UNION GOVERNMENT APPROPRIATION ACCOUNTS (CIVIL)  2006-2007  <a href="http://www.cag.gov.in/html/reports/civil/2007_13_reg/contents.htm">http://www.cag.gov.in/html/reports/civil/2007_13_reg/contents.htm</a></p> <p><u>Comment:</u>  The latest year-end report available is that of 2006-07.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ol style="list-style-type: none"> <li>Yes, all data on actual outcomes have been audited.</li> <li>At least two-thirds, but not all, of the data on actual outcomes have been audited.</li> <li>Less than two-thirds of the data on actual outcomes have been audited.</li> <li>None of the data on actual outcomes has been audited, or a year-end report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  UNION GOVERNMENT APPROPRIATION ACCOUNTS (CIVIL)  2006-2007  <a href="http://cga.nic.in/appn_accounts/appn_accounts0607/appn_accounts0607.htm">http://cga.nic.in/appn_accounts/appn_accounts0607/appn_accounts0607.htm</a></p> <p><u>Comment:</u>  All accounts in the year-end report are audited.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or such a report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Union Audit Reports, Accounts of Union Government (Report No. 13 of 2007), 2006-2007  <a href="http://www.cag.gov.in/html/reports/civil/2007_13_reg/contents.htm">http://www.cag.gov.in/html/reports/civil/2007_13_reg/contents.htm</a></p> <p>Union Government Appropriation Accounts (CIVIL) 2006-2007  <a href="http://cga.nic.in/appn_accounts/appn_accounts0607/appn_accounts0607.htm">http://cga.nic.in/appn_accounts/appn_accounts0607/appn_accounts0607.htm</a></p> <p><u>Comment:</u>  The report by the Comptroller and Auditor General of India (CAG) presents information on differences between enacted and actual expenditures. The information in the CAG reports is not so detailed quantitatively but rich in narratives on different outcomes of expenditure. Other documents like the outcome budget (brought out by individual ministries, e.g &lt;  <a href="http://www.wrmin.nic.in/writereaddata/linkimages/outcome_2007-082551316589.pdf">http://www.wrmin.nic.in/writereaddata/linkimages/outcome_2007-082551316589.pdf</a> &gt; Ministry of water resources) also provide explanations in the form of quantitative tables along with some narrative explanations. Outcome budget is considered to be an analysis of the non financial outcomes though the document is not brought out by the CAG.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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<p>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</p> <ol style="list-style-type: none"> <li>The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.</li> <li>The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).</li> <li>The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).</li> <li>No explanation of the differences is provided, or such a report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Union Government Appropriation Accounts (CIVIL)  2006-2007  <a href="http://cga.nic.in/appn_accounts/appn_accounts0607/appn_accounts0607.htm">http://cga.nic.in/appn_accounts/appn_accounts0607/appn_accounts0607.htm</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or such a report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  GOVERNMENT OF INDIA, UNION GOVERNMENT ACCOUNTS  AT A GLANCE  PROVISIONAL ACCOUNTS FOR 2006-2007  <a href="http://cga.nic.in/html/data0703.Htm">http://cga.nic.in/html/data0703.Htm</a>  UNION GOVERNMENT, FINANCE ACCOUNTS, 2006-2007  <a href="http://cga.nic.in/f_accounts/f_accounts0607/finance_accounts0607.htm">http://cga.nic.in/f_accounts/f_accounts0607/finance_accounts0607.htm</a></p> <p><u>Comment:</u>  However, there are other resources brought out by the Supreme Audit Institution that present detailed narratives on the Central Government Accounts.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Such an analysis is not presented.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Such an analysis is not prepared.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Such an analysis is not prepared.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
<p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Such an analysis is not presented.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key issues, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information is not presented on extra-budgetary funds, or such a report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Such an analysis is not presented. The most detailed information on extrabudgetary resources apart from the audit reports are on the aggregates only and is presented by different agencies and not the Supreme Audit Authorities. For example, visit</p> <p>GOVERNMENT OF INDIA, UNION GOVERNMENT ACCOUNT, Monthly Trend, EXTERNAL FINANCING &lt; <a href="http://cga.nic.in/html/dtl20708.htm#DOMESTIC%20FINANCING">http://cga.nic.in/html/dtl20708.htm#DOMESTIC%20FINANCING</a> &gt;</p> <p>BUDGETARY TRANSACTIONS OF THE CENTRAL AND STATE GOVERNMENTS AND UNION TERRITORIES <a href="http://indiabudget.nic.in/es2006-07/chapt2007/tab22.pdf">http://indiabudget.nic.in/es2006-07/chapt2007/tab22.pdf</a> &gt;</p> <p>However, inferences can be drawn from the annual financial statement on different extra budgetary funds and there is a general comparison between the estimates and revised estimates.</p> <p>Union Budget 2007-2008, Annual Financial Statement &lt; <a href="http://indiabudget.nic.in/ub2007-08/afs.htm">http://indiabudget.nic.in/ub2007-08/afs.htm</a> &gt;</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p><i>The Independence and Performance of the Supreme Audit Institution</i></p>	

<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ol style="list-style-type: none"> <li>Final audited accounts are released to the public six months or less after the end of the fiscal year.</li> <li>Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year.</li> <li>Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year.</li> <li>Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> UNION GOVERNMENT, FINANCE ACCOUNTS, 2006-2007 <a href="http://cga.nic.in/f_accounts/f_accounts0607/finance_accounts0607.htm">http://cga.nic.in/f_accounts/f_accounts0607/finance_accounts0607.htm</a></p> <p><u>Comment:</u> The latest available account is for the year 2006-07.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p>112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?</p> <ol style="list-style-type: none"> <li>All expenditures have been audited and the reports released to the public.</li> <li>Expenditures representing at least two-thirds of, but not all, expenditure have been audited.</li> <li>Expenditure representing less than two-thirds of expenditure have been audited.</li> <li>No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Union Budget 2007-2008's Annual Financial Statement <a href="http://indiabudget.nic.in/ub2007-08/afs.htm">http://indiabudget.nic.in/ub2007-08/afs.htm</a></p> <p><u>Comment:</u> See for example the annual financial statement of the recent year.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ul style="list-style-type: none"> <li>a. The annual audit report(s) includes one or more executive summaries summarizing the report's content.</li> <li>b. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  Comptroller and Auditor General  cag.nic.in</p> <p>Controller General of Accounts  cga.nic.in</p> <p><u>Comment:</u>  All reports have either an executive summary or an overview of the report or an 'highlights' section in all its reports.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?</p> <p>a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed.</p> <p>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> The Constitution of India <a href="http://www.legalserviceindia.com/constitution/const_india.htm">http://www.legalserviceindia.com/constitution/const_india.htm</a></p> <p><u>Comment:</u> Article 148 says: “Comptroller and Auditor General of India.—(1) There shall be a Comptroller and Auditor-General of India who shall be appointed by the President by warrant under his hand and seal, and shall only be removed from the office in like manner and on the like grounds as a Judge of the Supreme Court.” Further, Article 124 (4) provides that procedure for removal of a Supreme Court judge as follows: “A Judge of the Supreme Court shall not be removed from his office except by an order of the President passed after an address by each House of Parliament supported by a majority of the total membership of that House and by a majority of not less than two-thirds of the members of that House present and voting has been presented to the President in the same session for such removal on the ground of proved misbehaviour or incapacity.”</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ol style="list-style-type: none"> <li>Yes, the SAI releases to the public audits of all extra-budgetary funds.</li> <li>Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.</li> <li>Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.</li> <li>No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://cag.nic.in/html/audit_reports_say10.htm">http://cag.nic.in/html/audit_reports_say10.htm</a></p> <p>Union Audit Reports  (Performance Audit - Report No. 20)  2004-2005  <a href="http://cag.nic.in/html/reports/civil/2006_20_peraud/contents.htm">http://cag.nic.in/html/reports/civil/2006_20_peraud/contents.htm</a></p> <p><u>Comment:</u>  Extra-budgetary funds include the National Small Savings Fund, Steel Development Fund, which are an industry-wide loan scheme that operates on commercial principles, and the Prime Minister's Relief Fund, which finances disaster relief from public donations. All expenditures of the government are audited and released except audit reports on secret items of expenditure, which are generally not released to public. However, with the passage of the Right to Information law, even this information can be accessed upon request.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <ol style="list-style-type: none"> <li>The SAI has full discretion to decide which audits it wishes to undertake.</li> <li>The SAI has significant discretion, but faces some limitations.</li> <li>The SAI has some discretion, but faces considerable limitations.</li> <li>The SAI has no discretion to decide which audits it wishes to undertake.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  THE COMPTROLLER AND AUDITOR-GENERAL'S (DUTIES, POWERS AND CONDITIONS OF SERVICE) ACT, 1971  <a href="http://cag.nic.in/html/about_legal_dpc.htm#ch3">http://cag.nic.in/html/about_legal_dpc.htm#ch3</a>   <a href="http://india.gov.in/govt/documents/english/Art1-242_1-88.pdf">http://india.gov.in/govt/documents/english/Art1-242_1-88.pdf</a></p> <p><u>Comment:</u>  Please refer to Section-18 subsection 1 of the first citation.</p> <p>Article 149. Duties and powers of the Comptroller and Auditor-General.—The Comptroller and Auditor-General shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by or under any law made by Parliament and, until provision in that behalf is so made, shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States as were conferred on or exercisable by the Auditor-General of India immediately before the commencement of this Constitution in relation to the accounts of the Dominion of India and of the Provinces respectively.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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117. Who determines the budget of the Supreme Audit Institution?

- a. The budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.
- b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.
- c. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.
- d. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.
- e. Not applicable/other (please comment).

Citation:

The Constitution of India

[http://india.gov.in/govt/documents/english/Art1-242\\_1-88.pdf](http://india.gov.in/govt/documents/english/Art1-242_1-88.pdf)

Comment:

Please refer to Article 148 of the Indian Constitution.

As is the case with other government departments, the audit department of the Ministry of Finance presents its own demand for grants to the Ministry of Finance. While the administrative expenses of the SAI are charged to the Consolidated Fund of India, the other expenses are voted expenditure, which are approved by the legislature along with other items in the budget.

According to article 148 of the Constitution of India, administrative expenditure by the SAI will be charged to the consolidated fund of the executives budget.

**Peer Reviewer One Comment:** A more appropriate response to this question would be “a” as the question relates to SAI, which is the CAG in India. All “administrative expenses of the office of the Comptroller and Auditor- General, including all salaries, allowances and pensions payable to or in respect of persons serving in that office” (Article 148 (6) are a ‘charged’ head with even the Parliament having no powers to vote upon this expenditure.

**Peer Reviewer Two Comment:**

**IBP Comment:** IBP editors chose answer, “b” consistent with the researcher’s response.

b

<p>118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?</p> <ol style="list-style-type: none"> <li>The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate.</li> <li>The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate.</li> <li>The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate.</li> <li>The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Audit Skills Requirement  <a href="http://cag.nic.in/publications/guide_peraud/chapter_2.pdf">http://cag.nic.in/publications/guide_peraud/chapter_2.pdf</a></p> <p>The Indian Audit and Accounts Department  <a href="http://cag.nic.in/html/aboutuspersonnel.htm">http://cag.nic.in/html/aboutuspersonnel.htm</a></p> <p>Indian Audit &amp; Accounts Department  <a href="http://cag.nic.in/Activity/2005-06/chap_6.pdf">http://cag.nic.in/Activity/2005-06/chap_6.pdf</a></p> <p>Union Audit Reports, ( Defense Services), 2003-2004  <a href="http://cag.nic.in/html/reports/defence/2005_ds/contents.htm">http://cag.nic.in/html/reports/defence/2005_ds/contents.htm</a></p> <p>The Role and Functions of Training Division, CGDA (Controller General of Defense Accounts)  <a href="http://cgda.nic.in/training/index.html">http://cgda.nic.in/training/index.html</a></p> <p><u>Comment:</u>  Whenever a specific skill is not available in-house, consultants are hired.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ol style="list-style-type: none"> <li>a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year.</li> <li>b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year.</li> <li>c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit.</li> <li>d. No, the SAI does not maintain any formal mechanisms of communication with the public.</li> <li>e. Not applicable.</li> </ol> <p><u>Citation:</u>  <a href="http://cag.nic.in/html/contactus.htm">http://cag.nic.in/html/contactus.htm</a></p> <p><u>Comment:</u>  We do not have details of the information on the suggestions received by the CAG.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>c</p>
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<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ol style="list-style-type: none"> <li>a. Yes, all audit reports are scrutinized.</li> <li>b. Yes, most audit reports are scrutinized.</li> <li>c. Yes, some audit reports are scrutinized.</li> <li>d. No, audit reports are not scrutinized.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://cag.gov.in/Activity/2005-06/chap_3.pdf">http://cag.gov.in/Activity/2005-06/chap_3.pdf</a>  or the section of "Follow up of Audit Reports" in &lt; <a href="http://cag.gov.in/Activity/2003-04/actrep_03_04.htm">http://cag.gov.in/Activity/2003-04/actrep_03_04.htm</a> &gt;</p> <p>Lok Sabha Committee  <a href="http://164.100.24.209/news/parliamentrycomintroduction/p26.htm">http://164.100.24.209/news/parliamentrycomintroduction/p26.htm</a></p> <p>Follow up of Audit Reports  <a href="http://cag.nic.in/Activity/2003-04/CHAPTER%206A.pdf">http://cag.nic.in/Activity/2003-04/CHAPTER%206A.pdf</a></p> <p><u>Comment:</u>  Please refer to page 22 of the first citation &lt; <a href="http://cag.gov.in/Activity/2005-06/chap_3.pdf">http://cag.gov.in/Activity/2005-06/chap_3.pdf</a> &gt;. Please refer to the sub section ( C ) of the Duties of the Committee under Scope and Functions section in the second citation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>121. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?</p> <ul style="list-style-type: none"> <li>a. Yes, the executive reports publicly on what steps it has taken to address audit findings.</li> <li>b. Yes, the executive reports publicly on most audit findings.</li> <li>c. Yes, the executive reports publicly on some audit findings.</li> <li>d. No, the executive does not report on steps it has taken to address audit findings.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The action taken in response to the audit recommendations is already made known to the public through the committee of the legislature as well as through the SAI.</p> <p><b><u>Researcher’s Response to this Question was “e.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b> I agree. “The reports of the Comptroller and Auditor-General of India relating to the accounts of the Union shall be submitted to the President, who shall cause them to be laid before each House of Parliament” (Article 151).</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” given the lack of a report issued by the executive.</p>	<p>d</p>
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<p>122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?</p> <ul style="list-style-type: none"> <li>a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.</li> <li>b. Yes, a report is released, covering key audit recommendations, but some details are excluded.</li> <li>c. Yes, a report is released, but it lacks important details.</li> <li>d. No, a report is not produced or it is prepared for internal purposes only (please specify).</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  <a href="http://164.100.24.207/committeereports/Public%20Accounts/14ls52ndreport.pdf">http://164.100.24.207/committeereports/Public%20Accounts/14ls52ndreport.pdf</a></p> <p><u>Comment:</u>  The above citation is just an example. However, the legislature of the government through different committees of the Parliament such as the Public Accounts Committee in principle has been disclosing all the information regarding different action taken in response to the audit recommendations through its website since 2006-07. They have also been making efforts in putting older reports on the web as well. Here, by ‘in principle’ we mean that although the government releases to public the information on the actions taken by the government to address audit recommendations, but often the level of government action taken on the recommendations is dismal. For example, action taken on the 9<sup>th</sup> report of the PAC &lt; <a href="http://164.100.24.207/committeereports/Public%20Accounts/9threp.pdf">http://164.100.24.207/committeereports/Public%20Accounts/9threp.pdf</a> &gt; containing recommendations of the CAG was presented by the PAC in its 52<sup>nd</sup> report &lt; <a href="http://164.100.24.207/committeereports/Public%20Accounts/14ls52ndreport.pdf">http://164.100.24.207/committeereports/Public%20Accounts/14ls52ndreport.pdf</a> . So as far as information is concerned, it is provided. But the PAC itself is highly critical on the quality of action taken.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?</p> <ul style="list-style-type: none"> <li>a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs.</li> <li>b. Yes, legislators are provided audit reports on secret items, but some details are excluded.</li> <li>c. Yes, legislators are provided audit reports on secret items, but they lack important details.</li> <li>d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> However, apart from secret items all other activities related to the security sector are audited and revealed to the Public and Parliamentarians.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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