

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Finance Department - Budget - Budget Estimates 2022-23 – Comprehensive instructions for the preparation of Budget Estimates and submission on-line –Issued.

FINANCE (BUDGET-I) DEPARTMENT

G.O.Ms.No.102

Dated: 23-12-2021.

ORDER:

The Annual Budget of the State Government for the financial year 2022-23 will be presented to the Legislature during the month of March of the current financial year and the process of formulation of Budget Estimates for 2022-23 will have to be completed by mid-February 2022. The Heads of Departments & other Estimating Officers have to prepare and submit the Budget Estimates for FY 2022-23, as per Para 13.19.1 of A.P. Budget Manual and as per the instructions given in this order.

2. The proposal for the Budget Estimates 2022-23 has to be furnished through the AP Budget Portal (www.apbudget.apcfss.in) as done in the previous year. The Estimating officer shall furnish proposals for the Revised Estimates for **2021-22** and Budget Estimates for **2022-23** under all categories of Heads. The controlling officers can access Budget portal with the username and password already provided to them by the Finance Department.

3. The procedure for the preparation of the Number Statement now stands revised. The information collected during the preparation of Number Statement for the year 2020-21 will be made available to the Departments for correction and validation & there is no requirement for de novo entry of the data.

REVISED ESTIMATES 2021-22

4. The Revised Estimates for 2021-22 should be prepared as realistically as possible with reference to the following, instead of repeating the previous year's budget figures in a routineway.

- (i) the progress of expenditure during the first eight months of the financial year;
- (ii) the expenditure likely to be incurred during the remaining months of the financial year;
- (iii) the additional funds proposed to be obtained as Supplementary Grants;
- (iv) the re-appropriation or resumption of funds already made or proposed to be made;
- (v) the new schemes sanctioned during the course of the current financial year;
- (vi) the new heads of account opened during the year either for booking expenditure on new schemes or for accommodating any adjustments and the new heads of account opened while distributing existing lump sum provisions; and
- (vii) any other relevant factors that will materially affect or have a bearing on the expenditure during the financial year.

5. In short, the revised estimates should represent the anticipated final expenditure of the year, with reference to all relevant post-budget developments, and should closely correspond to the actual expenditure. As the closing balance of the year is calculated with reference to the revised estimates, any significant variation between revised estimates and actual expenditure would upset the Ways and Means forecasts. On account of financial constraints due to the Covid-19 pandemic, the Revised Estimates for F.Y.2021-22 in the aggregate should not normally exceed the Budget Estimates 2021-22.

BUDGET ESTIMATES 2022-23:

6. All Heads of Departments and Estimating Officers should personally ensure that estimates are prepared with utmost care, taking into account all aspects that are normally available at the time of estimation so as to avoid instances of huge variations between estimates and actuals. The budget estimates of expenditure should be prepared as accurately as possible so that the amounts proposed for each function, programme or scheme does not turn out to be either excessive or inadequate later on. The attempt should be to assess the precise requirements with reference to all available data. The revised estimates proposed for the current year should form the basis for preparing budget estimates for the coming year, making due allowance for any special factors. Thus, if the current year estimates provide for any non-recurring items of expenditure, a corresponding reduction should be made in the Budget Estimates for the coming year. The variations between the Revised Estimates for 2021-22 and the Budget Estimates for 2022-23 should be clearly and precisely explained in the remarks column. Otherwise any proposed increase will not be considered.

7 (A) Preparation of Administrative Expenditure:

The Administrative Expenditure Statements include the following on-line forms.

1. **Proforma-E-1** : Details of the office buildings to capture the budget for DH 140- Rents, Rates and Taxes and SDH 141- Rents, Rates and Taxes
2. **Proforma-E-2** : Details of the hired vehicles to capture the budget for DH 130- Office Expenses and SDH 134-Hiring of Private Vehicles
3. **Proforma-E-3** : Details of the Government Vehicles to capture the budget for DH-SDH 240- Petrol, Oil and Lubricants – 241-Charges towards Office Vehicles and also the DH-SDH 510- Motor Vehicles – 511-Maintenance of Motor Vehicles
4. **Proforma-E-4** : Details of the Water and Electricity Charges (DH-SDH 130-Office Expenses – 133-Water and Electricity Charges).
5. **Proforma E-5:** The HoDs should send proposals for recoveries and disbursements under loans and advances and interest thereon based on the terms and conditions imposed in the government orders sanctioning the loans.
 - i. Details of the items of expenditure included, detailed reasons together with figures should be furnished along with the actuals for the past three years in respect of each item. Wherever arrears are included, detailed reasons together with figures would be furnished.
 - ii. Estimating Officers should take special care to ensure that the utility charges are calculated in accordance with the latest rates and adequate provision is made to meet their pending and future liabilities.
 - iii. The provision for purchase of motor vehicles shall be supported by specific sanction order from the government and the provision for maintenance of motor vehicles shall be supported by statement from the HoD.

7(B) : Preparation of Schemes Expenditure Statements

- i. The process involved in preparation of the Schemes Expenditure Statements is as below.
 1. The HoDs concerned should enter required details of the schemes expenditure in the on-line forms provided to them for the purpose.
 2. These on-line forms come with pre-populated data, to the extent of the related expenditure data available with Finance Department.
 3. The HoDs should verify the pre-populated data and make corrections where necessary and submit the forms. Where data is not pre-populated, the HoDs have to enter the data concerned.
 4. The on-line forms shall have provisions to capture all required data regarding Navaratnalu, Manifesto Schemes, Centrally Assisted State Development Schemes (CASDs), Externally Aided Projects (EAP), NABARD Projects and State Development Schemes (SDSs).
 5. After submission of the on-line forms by the HoDs, the Secretaries concerned shall scrutinize and certify on-line.
- ii. **The Schemes Expenditure Statements include the following on-line forms.**
 1. **Proforma-E-6** : Details of Navaratnalu & Other Manifesto Schemes being or to be implemented by the HoD concerned (with all relevant Heads of Accounts)
 2. **Proforma-E-7** : Details of Centrally Assisted State Development Schemes (CASDs), being or to be implemented by the HoD concerned (with all relevant Heads of Accounts)
 3. **Proforma-E-8**: Details of Externally Aided Projects (EAP), being or to be implemented by the HoD concerned (with all relevant Heads of Accounts)
 4. **Proforma-E-9** : Details of NABARD Projects, being or to be implemented by the HoD concerned (with all relevant Heads of Accounts)
 5. **Proforma-E-10**: Details of State Development Schemes (SDSs), being or to be implemented by the HoD concerned (with all relevant Heads of Accounts)
- iii. The CASP Schemes discontinued by the Government of India shall be reviewed critically. If it is necessary to continue a particular scheme in public interest, the department has to prepare estimates following the principles of zero-based budgeting.
- iv. The department shall identify the Centrally Sponsored schemes which can be dovetailed with the priority programmes of Government. Further, the main activities for which the CASP schemes will be utilized shall be clearly spelt out while submitting the proposals. Prior Finance concurrence will be necessary for submitting the proposals to Government of India under CASP schemes. Wherever the programmes are dovetailed with the State Schemes, the department shall come out with clear action plan to demarcate the beneficiaries chargeable to CASDs and related SDS. The department shall ensure that the necessary changes in the bill processing are made in coordination with CFMS.
- v. The HoDs shall review the eligibility and financial assistance under welfare programs, technical assistance schemes, operation and maintenance costs, developmental and economic support programs, etc. with a view to bring about greater efficiency in deployment of limited resources and more effective coverage to achieve targeted outputs and outcomes.

- vi. Estimates of expenditure financed through Government of India should be based only on the last year's actual release to the State or the actual need whichever is lower, and not on hypothetical figures. In such cases, it is necessary to indicate specifically whether the entire amount or only a part of the amount is reimbursable from these agencies and whether this amount has been taken credit in their estimates of Revenue.
- vii. Adequate budget provision should be made for the RIDF schemes which are approved by the NABARD.

7(C) Preparation of Works Expenditure:

- i. The State Government is bestowing focus on the infrastructure facilities in primary sectors such as Housing, drinking water, Education, Health, Roads and Transport, which improve the living standards of the people and facilitate speedy industrialization of the state economy. To achieve these goals, the *Capital Budget* shall be prepared keeping in view the following.
 - 1. Capital Budget proposals must be based on mission goals, medium term development objectives, and service delivery benchmarks.
 - 2. Prioritization of financing options shall be Public-Private Partnership / CASDS / SDPs / EAP / NABARD / HUDCO etc.
- ii. All the Chief Engineers are requested to give full information as to whether the works for which provision is included by them in the Budget Estimates 2022-23 are for repairs to the existing buildings, new works or works in progress, and whether the works have been sanctioned by the government or competent authority.
- iii. The number and date of order sanctioning each work, the amount of estimate both - original and revised, the total expenditure incurred on work to the end of the preceding financial year, and the amount required for expenditure during the current year and next year should invariably be given in the remarks accompanying the Budget Estimates
- iv. No bill shall be permitted to be uploaded when sufficient Budget is not available under the relevant Heads. No works shall be executed unless sufficient Budget provision is available.
- v. The Chief Engineers / Administrative Departments should not forward proposals for any new works along with the budget proposals, unless orders have been issued by the Government.
- vi. The information connected with the Works Expenditure as furnished by the Chief Engineers / Administrative Departments has to be verified and validated by the Director Works Accounts, AP.
- vii. The proforma & guidelines for the above will be communicated separately.

7 (D) Preparation of Receipts Statements:

- i. The process involved in preparation of the Receipts Statements is as below.
 - 1. The Receipts related data needs to be presented in **Proforma-R**.
 - 2. The HoDs concerned should enter required details of the Receipts in the on-line forms provided to them for the purpose.
 - 3. These on-line forms come with pre-populated data, to the extent of the related receipts data available with Finance Department.
 - 4. The HoDs should verify the pre-populated data and make corrections where necessary and submit the forms. Where data is not pre-populated, the HoDs have to enter the data concerned.

5. The on-line forms shall have provisions to capture the receipts details against all the relevant Heads of Accounts.
6. If the online forms doesn't reflect HoAs for any of the receipt types or require modification in description etc., they shall immediately approach Finance (Budget) Dept for incorporating necessary changes. All HoDs shall ensure that proper projections are made against all receipt HoAs with appropriate descriptions.
7. After submission of the on-line forms by the HoDs, the Secretaries concerned shall scrutinize and certify on-line, the Receipts Statements of the HoDs under their administrative control.
 - ii. The budget estimates for receipts should be prepared based on the existing rates of taxes, duties and fees, etc. and no increase or reduction in such rates which has not been sanctioned by the government should be proposed.
 - iii. In addition, arrears of collections which are likely to be collected in the current year are also to be projected.
 - iv. Revenue Receipts and Loan Receipts should also be furnished by giving full details of targets fixed as per performance indicators for each department.
 - v. All the HoDs may explore new base for improving their receipts and curb the leakages from bottom to top level by strict vigilance and improve the performance of the employees by fixing required personal performance indicators at each level.

8. All the HoDs and Other Estimating Officers are requested to furnish proposals for Revised Estimates 2021-22 and Budget Estimates 2022-23 in respect of Revenue Receipts and Loan Receipts with which they are concerned by giving full details of targets fixed as per performance indicators for each department.

9. **Economy:** All HoDs and the Controlling Officers are requested critically review the programmes/schemes/works and justify their continuance. The Heads of Departments/Estimating Officers should note that it is their primary responsibility to rationalize the process of implementation of programmes/schemes/works.

10. In this exercise, after critical review some schemes may have to be wound up and some others merged with or transferred to the activities of other Departments. In order to ensure effective and optimum utilization of resources, it is necessary to observe economy in expenditure and also avoid such expenditure which does not result in benefits commensurate with the expenditure. The HoDs and other Estimating Officers are therefore, advised to analyze the expenditure incurred on all non-salary items and save at least 20% of the expenditure for the next financial year. For any deviation in this regard they must provide adequate justification. They are requested to frame the Budget Estimates 2022-23 accordingly, keeping in view the above measures.

11. **Sub-Plans for Scheduled Castes, Scheduled Tribes and Backward Classes:** The Social Welfare Department, Tribal Welfare Department and BC Welfare Department, which are Nodal agencies for SCSP, TSP and BC Sub-plans respectively, are to follow the same practice while preparing the estimates for 2022-23 as was followed in 2021-22.

12. **New Schemes: Proforma-N:** All new schemes for which provisions are proposed in the Budget Estimates for the first time, necessary details on which the requirement of funds is based, and copy of the relevant Government Orders sanctioning the scheme should be furnished. As far as possible, lump-sum provision should not be proposed. In the case of new schemes introduced during the year 2021-22, the dates of introduction and the estimated expenditure for the current year should be mentioned in the remarks column. If provision is included in the Revised Estimates for the current year for any new item of expenditure not provided for in the Budget Estimates of the year, it should be clearly stated in the 'Remarks' column whether it has been sanctioned by the competent authority and if so, the number and date of the proceedings sanctioning the expenditure should be quoted in every case.

13. **Gender Budget:** The Gender Budget Document is being published since 2021-22. The Gender Budget Statement aims at Consolidation and analysis of overall budgetary resources that the Government of Andhra Pradesh allocates and spends on programmes and schemes that benefit women directly as well as indirectly. Therefore, to accompany the budget submissions for the Financial Year 2022-23, all Departments are required to prepare and submit a Gender Budget Statement in the prescribed format. This Gender Budget Statement is to be prepared in two parts-Part A: reflecting schemes that are 100% targeted towards women and girls beneficiaries; Part B: reflecting Pro-women and girl schemes in which 30 to 99% allocations are towards women and girls (Annexure I & II). The Women Development Department are requested to coordinate and monitor gender budgeting and facilitate gender budgeting analysis. All Heads of Departments are requested to nominate a suitable Nodal officer for coordination required for preparation of Gender Budget Document.

14. **Child Budget:** The Child Budget Statement aims at consolidation and analysis of overall budgetary resources that the Government of Andhra Pradesh allocates and spends on programmes and schemes that benefit children (0-18 years). All the Estimating officers and Heads of Departments are requested to furnish the details on Child Centric Programmes/Schemes under their departments' budget under each programme/scheme, any proposed programmes/schemes to be implemented and any other related matters. Therefore, the information about the allocations for all the Child Centric Programmes/Schemes should be furnished in the formats given in Annexure-III and Annexure IV. The Women Development Department are requested to coordinate and monitor child budgeting and facilitate child budgeting analysis. All Heads of Departments are requested to nominate a suitable Nodal officer for coordination required for preparation of Child Budget Document.

15. **Budget Achievements: Proforma-C:** The departments shall furnish details about the quantum of work done by them, the physical targets achieved under the scheme during 2019-20 & 2020-21, the physical targets proposed to be achieved during 2021-22 and 2022-23.

16. **Explanations for variations in figures:** Estimating Officers are requested to furnish brief and clear explanations for material variations between the Budget and Revised Estimates of the current year and the Budget Estimates for coming year both under Receipts and Expenditure. They are informed that in the absence of explanations, any increase of expenditure included in their estimates is liable to be summarily rejected. While submitting the estimates, the variations, if any, between number and designation

of the staff for which provision is made in the estimates and those already furnished by the Estimating Officers in the number statements should be explained in detail with reference to the orders sanctioning the additional staff.

17. **Special Points:** The attention of all Secretariat Departments, Head of the Departments and Estimating Officers are invited to the following special points:

- New engagement of consultants, outsourcing and engagement of retired Government employees shall be restricted and prior concurrence of Finance Department would be required for the purpose. All the departments are advised to critically review the necessity of continuing permitted number of Outsourcing of Staff and see if the purpose can be served by reducing the number. No further support staff shall be proposed by the departments unless absolutely necessary. While furnishing the requirements, the CCOs has to provide necessary information like, Name of the Project/scheme, Duration of the Scheme, Category of post, number permitted, permissible remuneration and Sanction of Order.
- No provision should be made in the Estimates for any item of expenditure for which no sanction of government exists.
- Estimation of Budget under Object Head Salaries is based on sanctioned establishment strength and scales of pay but some of the departments have failed to realistically assess the requirement of their funds under the Object Head Salaries resulting in either substantial savings or additional requirement of funds.
- There have been instances when supplementary Demands of Grants were taken by the Departments to incur expenditure on certain schemes were utilized but actual expenditure incurred was less than the Original Budget Estimates at the end of the financial year. The department will ensure that the entire funds so projected will be utilized during the financial year.
- Re-appropriation of funds were taken by the department but were not able to utilize even their original budget estimates. There were also cases where the actual expenditure at the close of financial year was found either in excess or short of budget provision. To avoid such situations, it is for the departments to have a realistic view of its requirement of funds.
- The wide variations between the original budget estimates and the actual expenditure incurred implies that the departments have not been able to properly anticipate/assess and project a realistic requirement of funds. Unrealistic assessment of funds is not conducive to a proper budgeting system and it invites adverse comments from Audit.
- Purchase of Motor Vehicles: A total ban on purchase of new vehicles except Emergency Service Departments has been imposed under this item of expenditure.
- The HoDs/ Estimating Officers shall ensure that sufficient provisions are made under the detailed head “300-Other Contractual Services” towards payment of remuneration to the persons appointed on contract/outsourcing basis. They are requested to furnish the relevant orders issued by the competent authority for engaging the persons on contract/outsourcing basis while proposing provision in the Budget.
- The full details of pending bills shall be collected and priority be given for allocation of funds for these pending bills.
- The provision required for payment of “hiring charges of Private Vehicles” shall be made under the sub detailed head “130/134 - Hiring of Private Vehicles” based

on the sanction orders. No provision shall be proposed under this head without specific sanction from the government for hiring of private vehicles for the department for a specific period.

- Provision for non-recurring items (furniture, equipment, etc.) of expenditure should not be repeated merely on the basis of average expenditure for the previous years, but should be restricted to the actual requirement.
- The provision required for payment of subsidies shall be made under the detailed head 330 – Subsidies and not under sub-detailed head 312 – Other Grants – in-aid”.
- Where any large provision is proposed in respect of outstanding liabilities or arrear payments, full details should be furnished and the original sanction for incurring such expenditure should invariably be quoted.
- Departments are requested to indicate the future expenditure commitments on account of the major policy changes made by the government in the financial year 2021-22, along with estimates of 2022-23.
- Restructuring of existing schemes should be done. For instance, Department may like to discontinue or merge the schemes having annual outlay of Rs.5.00 Cr or less. Schemes with similar objectives should be clubbed together to avoid overlapping. No new State scheme be formulated if similar objectives are covered under any Centrally Sponsored Scheme.
- It has come to the notice of Government that substantial amounts are being surrendered and the departments have approached Government for provisions of additional funds for certain items which they had not originally anticipated in the very first quarter of the financial year. Instances have also come to the notice of Government where the Departments have spent a major portion of the entire Budget provision within a couple of months and have approached the Finance Department for additional allotment. Therefore, Budget Estimates have to be prepared with due care and forethought. Proposals should not, therefore, be based on hypothetical estimates but must be worked out on the basis probable and realistic requirement of funds.
- Principal Accountant General has pointed out that many of the Departments are making provision under the Minor Head 800 - Other Expenditure' under the functional Major Head as a result of which correct nature of expenditure is getting lost. Hence, in order to bring transparency to the nature of expenditure, it has recommended that such a practice has to be discontinued forthwith. Departments while sending the proposal for Budget 2022-23 to Finance Department, has to judiciously examine the nature of expenditure and classify the expenditure under an appropriate Minor Head.
- All kinds of Committed Expenditure like Subsidies, Maintenance, Social Security Pensions etc., are to be completely provided for. The concerned departments have to furnish the detailed calculation sheet in support of their calculation. It should contain the number of beneficiaries and unit cost etc. in support of the calculation. This should also be sent along with the estimates of 2022-23.

18. **Scrutiny of estimates by the Administrative Department of Secretariat:** The Administrative Departments of Secretariat are requested to scrutinize the estimates of Departments under their control and forward to this Department with their comments thereon. The object of examination by the Administrative Departments is to detect excessive or inadequate provision in the Revised Estimates and Budget Estimates which they are in a position to do in the better way in view of their more intimate knowledge of

working of Departments under their administrative control. The Departments are requested to send proposals for Revised Estimates 2021-22 and Budget Estimates 2022-23 rounding of the figures to the nearest thousands of rupees against each sub-detailed head.

19. The Secretariat departments/HoDs shall ensure submission of relevant documents/orders in support of the budget estimates proposed by them.

20. **Date of submission of Estimates through online:** The Estimates should be submitted to the Administrative Departments of the Secretariat concerned through online (<http://www.apfinance.gov.in> and <https://apbudget.apcfss.in>). The Administrative Departments of Secretariat shall forward the estimates with their comments to the Finance Department latest by **06- 01-2022**. No Budget Estimates including Number Statements shall be sent to Finance Department manually & no cognizance will be taken even if they are sent.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHAMSHER SINGH RAWAT
PRINCIPAL FINANCE SECRETARY

To
All Departments of Secretariat.
All Heads of Departments and Estimating Officers.
The Registrar, High Court Judicature, Andhra Pradesh at Amaravati.
The Secretary to Governor, Raj Bhavan, Vijayawada.
The Secretary, APPSC, Vijayawada.
Copy to : All Officers in Finance Department.
The Chief Executive Officer, APCFSS, Ibrahimpatnam
All Finance Sections,
PS to Hon'ble Chief Minister.
PS to Chief Secretary to Government.
PS to Hon'ble Minister for Finance.
PS to PFS / Prl. Secy (HR)/Secy. (RM&FP) /Secy.(B&IF),
SF/SCs

//FORWARDED :: BY ORDER//


SECTION OFFICER

