

Defence Budget: Towards an Outcome and Programme Based System

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Abstract

The Defence Services Estimates (DSE) and the existing feedback mechanisms need augmentation to reflect the growing demand for information, including on the results achieved from the outlays. Steps taken over the past decade and a half have facilitated more effective expenditure monitoring and control. However, there is a need for further improvements in the system. It is fully feasible to introduce outcome budget along with performance budget in a number of areas in defence, which could be placed in the public domain. The areas considered as sensitive can be brought under an internal document. The outcome budget can be designed around the existing framework of DSE, Volumes I and II. The financial information system along with communication and network connectivity between the services/departments needs to be further strengthened for producing optimal results.

The contents of the general, as well as, the defence budget of the Government of India have normally been widely discussed and debated. However, the focus mostly has been on the magnitude of the budget rather than the system of budgeting. Yet it is the system that needs to be the focus of discussions and requires reforms. Over a period of time, the budget documents had become quite static in terms of structure, content and communication of results. With the demands of those needing information from the budget changing with time, reforms in the structure and content of the defence budget had become overdue.

A budget is an instrument of policy. Through the annual financial statements it can translate a long term or medium term plan into action. The questions that arise are: what do we expect out of the budgeting system? And does it facilitate a meaningful translation of the intended objectives as reflected in the budget estimates? The perception about what the

Strategic Analysis, Vol. 30, No. 4, Oct-Dec 2006

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defence budget should contain also depends on various categories of users. The institutions/persons looking into the budget can be divided into the following three main categories:

- Parliament, which votes the budgetary appropriations and also reviews the performance through the appropriation accounts and audit reports. Preceding the vote on the budget, Parliament has the report of the Standing Committee on Defence, which examines the demands for grants in detail.
- The administrative ministry, the executive arm and supporting institutions working with it. The administrative ministry formulates the budget and, after necessary backing of the Finance Ministry, gets the approval of Parliament to enable it to operate.
- A mix of users such as experts in the field, institutions, beneficiaries, academics and the common citizens who are interested in the information, especially the value for money derived from the actual expenditure.

To meet the changing needs of the diverse sets of users, the defence budget needs to change both its format and contents with time. Yet systemic changes in structure, form and content of the budget have been slow to come about in India. Changes have been made from time to time but essentially in amplification of contents or deletion of certain items, or addition of new service relating to expenditure. We, therefore, need to know how far and why it has not been feasible to introduce new concepts.

The Defence Services Estimates (DSE) have an amalgam of outlays that can be converted in terms of outcomes into tangibles and some intangibles. As far as the defence budget is concerned, it is clear that the Parliament, the executive, defence analysts and the tax payers would be interested to know the outcomes. They would be keen to know the quantum of funds provided for air defence, the cumulative total of such allocations in the budget over a period of time and the results achieved in providing protection against potential air attacks.

While evolving any modifications in systems, it is necessary to know what is needed in the Indian context by various users. Having recognised the inherent advantage of a budget that can reveal what it has achieved in terms of intended objectives, the question arises as to whether the existing structure and content need a total substitution, partial modification or

supplements in order to serve as a conclusive document for evaluation of the outcomes. The past legacy also needs to be tackled in any overhaul or change in the existing system. The legacies are located in the content of the basic administrative and accounting data generated from the source levels, the mode of transmission, the organisational entities involved in the processing of the data, the relationships between these entities, the command and control, the technology used and, most important, the manpower resources, both in terms of skills and the numbers at the appropriate levels. Other relevant factors are: reluctance to exchange information in an institutionalised manner and an exaggerated sense of secrecy in publishing and disseminating information.

This article attempts to delineate feasible reforms to make the budget speak for itself in terms of intended objectives and the outcome or value for money realised out of the expenditure incurred.

The Existing System

The Defence Services Estimates (DSE), as a document, has evolved over a period of time to its current structure. Though its structure has largely remained the same in form and contents, it has had modifications. It is believed by many that, as a public document, its existing format is adequate to convey the objectives of the government. The comments/reactions to a budget presentation are made in terms of judgement on magnitude of allocations for army, navy, air force, DRDO and for new services, etc. However, a growing number of people, especially in the ministry and service headquarters, well-informed defence experts and academics have persuasively argued for a change. Many Members of Parliament have often sought more information, than what is available in the existing document.

The criticism of the present system is that it is largely input oriented. Specifically this means that it focuses on expenditure in generic terms, i.e., in terms of pay and allowances, stores, transportation, etc., and not in terms of targets and its actuals. The budget is also devoid of details in a number of major components of expenditure. The figures of expenditure on certain categories such as 'stores', 'works', etc., are such that it is not clear as to why and for what the funds are provided. The budget is divided in terms of 'revenue' and 'capital'. Even in this regard, the classification was until recently carrying legacies of the past and did not reflect the basic

nature of certain items. In several areas, assets of a capital nature were being classified under revenue. Consequently, capital assets were under-pitched, especially in respect to the army. The omnibus nature of items under capital expenditure indicated as 'other equipment', 'aircraft', etc., do not reveal adequate information on specific items of expenditure, even where these are of large magnitude. The word 'maintenance' nowhere figures under Revenue Budget but is covered under 'pay and allowances', 'stores', etc.

With substantial increase in funding for defence, the need for adequate information has become of great importance for interpretation of the budget. At present, information on the budget is available to the executive/parliament through the following three main reports:

- The Appropriations Account
- The audit report of Comptroller and Auditor General
- Reports of Parliamentary Committees – especially those of the Standing Committee on Defence and, in certain cases, the reports of the Public Accounts Committee, based on the audit reports.

The Appropriation Accounts signed by the Controller General Defence Accounts (CGDA)/Secretary Defence (Finance) and by the Defence Secretary gives the actual expenditure against allocations under various minor and sub heads. The reasons for variations of actuals against allocations are also indicated. However, it does not throw adequate light on physical achievements (outputs) in respect to a bulk of the items since the document is not intended to be an account on performance. However, there are exceptions. For two organisations - military farms and military engineering services - assessment of performance is given in separate sections.

Under the present system, getting an overall picture of budget in financial/physical terms and the actual performance is not easy and requires a lot of derivation, collation of data/information and enormous effort on the part of the ministry/services/departments. A document reflecting outcomes of at least major items provided in the budget would make the whole task easier apart from serving the basic and very important task of effective management of schemes and achievement of objectives.

By and large, the existing structure of the DSE with classification and sub-heads such as 'stores', 'works', etc., cannot facilitate the understanding

of what is the outcome intended from the money spent on various items of expenditure related to defence. Even in an important area of maintenance of aircraft, it is difficult to derive from the budget that if Rupees "X" have been allocated for maintenance of an aircraft type "A", whether the required level of maintenance has been achieved. This information becomes available much later when an Audit Para is raised and even becomes an item in the report of the Public Accounts Committee (for example MiG -29). The existing budgetary system has another deficiency. For instance, allocations made for a gun are spent and the expenditure reports also reflects this position but the guns may still not be inducted for the purpose for which they were procured. The existing system may show good financial progress with almost entire payments having been made in respect of an item, but the crucial phase of testing, which is vital towards achieving the final outcome, could drag on. Successful tests of many systems do not necessarily lead to a successful outcome or their timely induction into the armed forces.

The DSE reveals very little about allocations even of a non sensitive nature. There are only one line entries in the budget documents for amounts running up to a few thousand crore of Rupees.

There are a number of other weaknesses in the system. The time taken for transactions does not get reflected in the financial information reports pertaining to a budget, and a continuous update of information on liabilities incurred by various sanctioning/spending authorities is not available. An equally serious shortcoming is the inability to fully disseminate information to the concerned authorities and the absence of a synergised effort among various wings under the MOD for creating a comprehensive integrated report that would reflect the financial-cum-physical programmes.

Steps have been taken from time to time to make the existing DSE and the annual compilation of accounts more meaningful. In 1987, a reform was initiated in segregating pension from the DSE and ordinance factories from the army budget, with the objective of making this production organisation into a separate cost centre. Further reforms took place in 1992, based on the report of the task force (under A. K. Ghosh) which added over 150 categories in the classification of accounts, revealing more on the content of the expenditure, so that certain specific activities could be made transparent.

It is clear that a well evolved coding section, in vogue since the 1930s and subsequently enhanced by computerisation in 1971, has enabled further expansion of codes, meeting the growing need for giving information on expenditure related to an item.

Group of Ministers Report and Further Enhancements

Following the submission of the Kargil Review Committee Report, Government of India instituted a comprehensive review of the National Security System. This review was carried out by the Group of Ministers (GOM) constituted on 17 April 2000. The GOM further set up the following Task Forces:

- Task Force on Intelligence Apparatus
- Task Force on Internal Security
- Task Force on Border Management
- Task Force on Management of Defence.

To overcome some of the shortcomings in the system of budget the Task Force on Management of Defence recommended certain steps to improve matters. A Study Group on Budgetary Reforms (set up under the Task Force on Management of Defence) was constituted in August 2001, with the following terms of reference:

- To reveal the form and content of DSE;
- Examine the expansion of budgetary classification to promote programme-based budgeting;
- Reveal the classification of expenditure between revenue and capital in respect of defence services/departments.

The Study Group on Budgetary Reforms, in its Report submitted in January 2002, suggested that the existing DSE may include additional inputs under certain heads of accounts in the various detailed demands for grants. The estimates for the defence research and development organisation were also segregated from the army and a separate major head opened. Thus the demands for grants were expanded from five to six. Based on the Study Group's recommendations, an additional volume, called DSE Volume II, has been introduced for better budget management. With the additional details provided, internal management control by the services/departments/MoD/MoD (Finance) has improved.

It is important that the existing scope and content of the budget documents are enhanced before taking up more complex tasks. The significance of opening budget centre heads and additional classification categories needs no emphasis. The Group, consisting of representatives of all the services and departments, recognised that the first step in implementation would be an evolution of a comprehensive financial information system in respect of all the three services and the departments and the real time availability of budget centre data pertaining to budgetary allocations, progress of expenditure and committed liabilities. Meanwhile, to make the existing classification between 'revenue' and 'capital' more meaningful, it was recommended that guidelines be drawn up for identifying items which are appropriately capital but are being placed under revenue. The Study Group also recommended the expansion of budgetary classification in the DSE to provide better budgetary control, which will facilitate the future formulation of a programme budget. For purposes of expenditure monitoring and feedback controls, the group also recommended a more detailed classification with a separate volume covering all categories of expenditure, right down to the services and departments with budget centre-wise allocations. These are now available in Volume II of the DSE, which is an internal document. The gap in the existing document is sought to be bridged to some extent by the DSE Volume II.

The introduction of DSE Volume II has enabled the stakeholders to get a feedback on activities related to various budget centres. Put in simple language, this volume is a document that shows where the money is allocated, on what it is to be spent and by whom. This format is applicable to all the three services, ordnance factories, DRDO, etc., and has made monitoring, control and evaluation of the results of budgetary allocations more meaningful. This is an important step towards better management. It would also be a step towards planned allocation down to the various cost centres, based on a plan of expenditure, linked to the performance of activities.

Concept of Budget Centres

Alongside budgetary reforms, another committee was constituted to further expand the concept of accountability and responsibility, budget centres, and delegation of financial powers. The concept of budget centre allocation was recommended to be further expanded. This concept involves

planning, programming, accounting, reporting and evaluation systems. The report of the Committee on Delegation of Financial Powers for the army, navy and air force emphasised that the following facts need to be taken into account:

- Responsibilities centre with clear objectives;
- Decentralised authority-cum-responsibility centres;
- Physical targets, linked to input and output in financial terms;
- Set of financially feasible and clearly defined objectives;
- A network of accounting and effective reporting systems.

The committee had the advantage of the framework already created by the first new management strategy concept was tried out in the naval dockyard, when B.V. Adavi was the Financial Adviser Defence Services (FADS). The concept of budget centres, along with integrated finance sector, was established in the services headquarters when A. K. Ghosh was the FADS. The budget centres, in concept and operation, facilitate generation of necessary inputs and outputs, which, in turn, enables evaluation of performance from field level and upwards.

The measures implemented during the last decade and a half have gone a long way in enhancing the value of budget and supporting documents towards achieving better monitoring and control, and better insight of the results.

Deficiencies

The content of the existing budget still falls short of a document oriented towards outcome. The recent reforms, additions and modifications would, no doubt, help all those who are deeply involved in the Ministry of Defence and service headquarters in managing expenditure and evaluating the results of the existing budget, with the additional facility of detailed accounts, papers and supporting documents. But to the rest of those involved/interested in not so intense a manner, some gaps in understanding the intended results of the outlay, outputs and outcomes remain. So it would appear the system of budget calls for a change.

The question arises: for whom the budget is made? It is principally for the services/defence departments, MoD and all the players who receive allocation of funds as per objectives and norms that get translated into

policy and allocations when the budget is prepared. It is also for all those who have a stake in knowing whether the value for money has been realised. However, the problem is that the feedback mechanism is inappropriate for fully meeting the need for information and even the reports of various parliamentary committees are received too late for incorporation in the Budget. Even though the appropriation accounts are available on time, the performance evaluation is confined to only two areas of activities: military engineering services and the military farms. The system does not provide for concurrent/annual review of all expenditure. So, the budget as a whole gets neglected in terms of evaluation of the outcome. This is the position, in respect to the budgeting system for the defence though certain improvements have been built into the system over time, these are not adequate for a full scale evaluation of a large part of the budget.

At this stage, it would be appropriate to comment on the meaning of the terms 'performance budget', 'programme budget' and 'outcome budget'. Performance budget primarily indicates the physical progress of various schemes and programmes in relation to budget estimates. This was introduced by the Government in a number of Ministries, especially those handling development programmes, based on the recommendations of the Administrative Reforms Commission in 1969. Programme budgeting was first introduced in the US Defence Department as a system contrary to conventional budgeting. It describes and gives details of costs of all activities or programmes in a budget. Objectives, outputs and expected results are described fully as are the necessary input costs, such as of raw materials, equipment and staff. The sum of all activities or programmes constitutes the programme budget. The major task is to consolidate all activities that could be classified as a programme mission, such as training, coastal defence, etc.

Programme based budgeting requires linkage between plan and programmes, and input and output. As A. K. Ghosh has stated in his book *India's Defence Budget and Expenditure Management in a Wider Context*, the terms "performance budgeting and programme budgeting has been used interchangeably as both concepts are based on functions and activities and the emphasis is on results."¹ He further states, "The time dimension is of immense importance for expenditure management in defence, which is emphasised by programme budgeting. Programmes are inherently forward-looking. Performance, on the other hand, is based on past activity and evaluation of the past performance becomes a focal point of attention."²

However, as Ghosh himself states that confusion has somewhat been removed in the UN manual, which has viewed performance budget as an all inclusive concept, embodying programme formulation as well as measurement of the performance of work in accomplishing programme objectives. The outcome budget, as the Ministry of Finance in its memorandum dated 30th December 2005³, stated, is a pre-expenditure instrument. It helps to realise the ministries' vision through clearly defined outcome/output as a supplement to the current system built around post-expenditure scrutiny. The need for this has been felt as there is a lack of clear cut one-to-one relationship between the final budget and the performance budget as it was evolved earlier and inadequate setting of physical targets for the ensuing year. Development of outcome budget is not as complex as of a programme budget and can be built around the existing systems with some modification and expansion.

Outcome Budget

The Department of Expenditure, Ministry of Finance on 30th December 2005, has given guidelines for preparation of an outcome budget which was introduced by the finance minister in Para 100 of his budget speech (budget 2005-06). The need for an outcome budget has arisen owing to weaknesses that have crept into the performance budget, given the absence of a clear one-to-one relationship between the financial budget and the performance budget. Though the MOD and a few other ministries/ departments have been exempted from the preparation of the outcome budget, they have been asked to carry out this exercise for internal reviews and to voluntarily decide to place it in the public domain, fully or partially. The memorandum called for a tabular format which could be visualised as "vertical compression and horizontal expansion" of the budget estimates (BE) as given in Volume II. The components in the format for the outcome budget comprise financial outlays, projected physical outlooks, and projected/ budgeted outcomes (intermediate/ partial and final).

The system of budget, as evolved by the Ministry of Finance, thus includes the outcome budget for the ensuing year and performance budget for the previous financial year. It implies that the performance budget format now includes linkage with not only the financial budget but also the outcome budget. The implication for the Ministry of Defence is that an outcome budget can be evolved for the ensuing year even within the existing structure and format of the budget without waiting for the

development of a programme budget in a number of areas of activities in defence.

The key terms 'outlays', 'outputs' and 'outcome' in the budget have been defined by the Ministry of Finance as follows:

Outlays imply total financial resources deployed for achieving certain outcomes. Outputs are a measure of a physical quantity of the goods or services produced under a scheme or a programme. They are usually an intermediate stage between outlays and outcomes. Outcomes are the end products/results of various initiatives and interventions, including those in partnership with public sector undertakings, autonomous bodies, etc. They involve much more than mere output since they cover the quality of the goods or services.

The Finance Minister in his foreword to the outcome budget document on 25 August 2005, aptly stated: "I must caution that outlays do not necessarily mean outcome. People of the country are concerned with the outcomes." The Ministry of Finance has recognised that, in respect of certain ministries, the conversion of outlays into outcomes is a complex process. The Ministry of Defence and certain other departments have been exempted from preparation of outcome budget. But it is evident that the principles enunciated in regard to the outcome budget in the civil ministries such as benchmarking standards/quality of outcome in services, standardising unit cost of delivery, capacity building for requisite efficiency at all levels in terms of equipment, technology, knowledge and skills, and to further ensure flow of appropriate funds at the right time to the right level, with neither delay nor "parking" of funds, effective monitoring, evaluation and feedback system are equally applicable to the defence set-up. The introduction of outcome budget in defence will further enhance and ensure accountability at all levels. Outcome will be readily transparent to all those involved in the management of budget as well to the parliament and the tax payers.

The outcome budget, linked with performance budget, should not merely reflect results of a year but also indicate the progress in achieving certain long-term objectives, such as cumulative performance and final outcome. As an example, hypothetically if an outcome budget has been finalised reflecting the goal and vision of the self reliance plan, formulated in 1993, which aimed at 70 per cent self-reliance in certain areas of defence production over a 10-year period, it would have known by now what has

been achieved and where the government has fallen short. This would have helped in taking corrective measures for the next decade to reduce imports and achieve greater self-reliance. The eleventh report on the demand for grants of the Standing Committee on Defence (April, 2006) has emphasised the need to enhance indigenisation and reduce imports. It is felt that the formulation of an outcome budget would help to monitor the results with respect to the plan.

There are a number of areas in the defence sector which are amenable for introduction of outcome budget. Areas where these could be considered with definite yardsticks for measurement are:

- Maintenance and production workshops in the three services
- Ordnance factories
- Training
- Repairs and refit of certain ships under the navy
- Certain components of research and development establishments
- Capital works other than those connected with any weapon system.
- Ordnance depots (at least other than arms and ammunition), etc
- Married accommodation project
- Ex-servicemen's health scheme.

There could also be a number of other items other than those listed above. A rough conservative estimate of those that are non-sensitive in nature, show that at least Rs. 15,000 crore of the defence budget could be brought under the outcome budget and placed in the public domain. This could form part I of Volume I of the outcome budget. In these areas, the public has as much right to information as in the civil sector. Many more categories, especially of equipment, can also be brought under outcome budget for purposes of internal controls. This second segment could be Volume II of the outcome budget and can be the internal document of the government, which has the right to keep information to itself in case it is of a sensitive nature. Preparation of an outcome budget would automatically imply preparation of performance budget vis-à-vis the outcomes planned. The formats of the documents are given in the Ministry of Finance office memorandum cited earlier.

Evaluation of performance indicators has a major role in providing credible information to decision-makers. Such an evaluation is not easy in

intangible areas. Premchand in his book, *Public Expenditure Management*,⁴ has identified this issue as follows:

“Performance indicators should follow the objective set for the organisation. These objectives should be specific, disaggregated, and measurable in one form or the other. Indicators in such a context seek to serve as a bridge between the objectives, resources allocated and the organisation’s outputs. They could indicate the following aspects:

- Throughput or volume;
- Productivity and cost; Time target;
- Demand for services;
- Availability of services; and
- Outcome”.

Financial Information System

A crucial aspect for achieving success in evolving any improved budgetary systems for evaluation of results in the defence set-up, would be the development of a total and comprehensive financial information system with a wide area network covering all the three services, the concerned defence department, the defence accounts department and the Ministry of Defence. A report in this regard was submitted in August 2002 to the Ministry of Defence by the author who after his retirement as Secretary Defence (Finance) in February 2002 had been appointed as Adviser to the Ministry of Defence. In the Report, a number of recommendations were made to improve the existing system and to make available more information to the MoD officials.

The need to build an information system on liabilities has been felt for more than a decade and half and some progress has been achieved, especially in regard to items under ‘capital’. But building an institutionalised reporting system on commitments made in contracts, supply orders and liabilities incurred thereon is a necessary adjunct to any budgetary exercise. Once this reporting system is institutionalised and relevant information becomes part of supporting budget documents, the seriousness would be bestowed to the preparation of liabilities figuring in the report. The review of contracts, supply orders and updating of the figures would then become a continuing exercise from the point of view of ensuring outcomes as well as taking corrective action when required.

There is also a need to have convergence between various services/departments on aspects like unit code and contract code to facilitate the creation of a better information system. Uniformity in redesigned source documents needs to be enforced by the MoD in all services/departments. This has implications for the right kind of information-control the MoD would like to exercise. Network needs to be established between various services, departments, and especially between the CGDA and the Service Headquarters and other defence departments. Computerisation without a total communication network for exchange of data/information would produce less than optimum results. Adequate networking would facilitate better output in terms of content, details and availability of information on time. Quality of information would be crucial in any system and modern technology facilitates it. To evolve an improved budgetary control system, this would be a necessary prerequisite since, in the manually dominated or partially computerised system, and the manual process itself adds to the difficulties.

Programme Budget

The development of programme budget is a complex task. As a first step, the Integrated Defence Staff needs to formulate elements of the programme budget after defining various programmes. Some steps have already been undertaken by them. A multi-disciplinary group, which will also comprise a cost committee, would need to complete this task.

There are several questions that could arise while considering the introduction of a programme budget. As per the knowledge and experience of the author, the issue has been under consideration at least for the past two decades. It is not clear whether all concerned in the defence set-up are keen about a programme budget. The question also arises whether the programme budget is feasible within the existing structures and systems. It is also common knowledge that in the last decade much more information was available in the media about defence matters than before. This has also motivated many defence departments to rush to the press for publicity about success of a mission, weapons system, etc. While this may be good from the point of view of morale of the citizens, quite a few achievements are being publicised though the projects may be far from achieving their ultimate outcome. Another complexity in evolving a programme budget arises when the definition of the programme cuts across the services. Even within a service, especially a large service like the Army,

there could be complexities in reflecting the estimates and expenditure of different arms especially in a situation where not all transactions are cash-based and many are on the basis of documents. Jointness in the field among the three services, if achieved, could facilitate evolution of a programme budget. The IDS are in the process of experimenting and evolving some concepts in this regard. The identification of various programmes should be the starting point for spelling out the elements of a programme budget.

Development of a programme based budgeting would require a huge amount of cost accounting. Work needs to be done for each type of transaction in various units, formations, workshops, headquarters, etc., within a service and across the services. A highly automated system, with networking cutting across the boundaries of services and departments, would facilitate the task. The methodology and structure for programme based budgeting in a time-bound manner would require systematic planning and implementation in a phased manner.

In the interim, the best approach would be to enhance the financial information system and networking, and operate an outcome budget as spelt out in the preceding paragraphs, which will enable better-decision making. A danger is that even a system once created or established tends to get into disuse with poor maintenance. For instance, the initial enthusiasm for creation of websites in various institutions, especially in the government sector, was not sustained thereafter due to poor maintenance in terms of updated information. The financial system without regular and online update and with thousands of inputs coming from different units would make any budget and reporting systems incomplete and may even be misleading.

Conclusion

The defence budget is already of a very large magnitude. In a period of 15 years, it has grown five and a half times - from an outlay of Rs. 16,347 crore in 1991-1992 to Rs. 89,000 crore in 2006-2007. As a component of the central government budget, it continues to be the largest among all departments, some 15.78 per cent. It has very large components of expenditure that are totally non-sensitive in nature and on which information is available through various documents. But what is lacking is information on results of the large outlays and sometimes even the

output. The defence budget has not had the benefit of having a performance budget component. Though the performance budget in many of the civil ministries does not always help in assessing the value of money realised out of the outlays, these aspects can be rectified through the outcome budget. Allocation of funds to the defence would soon touch Rs 1,00,000 crore and would continue to grow from year to year, especially in view of the huge costs involved in certain modern systems. Therefore, the financial information systems need to be improved and enhanced. The budget system should ensure transparency and accountability and responsibility at all levels and display that value for money has been realised. The information technology available today will facilitate tasks which were not possible earlier. A document such as an outcome budget will enable a single point reference for all concerned in place of a multiplicity of papers that need to be consulted. An outcome budget, along with a performance budget, would be a first step in this direction. These would be supplements to the existing volumes of DSE. There is also a need to make a beginning in preparing programme budget in select areas, given the manpower resources constraints and the gaps in total connectivity and network.

References/End Notes

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- ² Ibid
- ³ *Government of India, Ministry of Finance, Department of Expenditure F No. 2(1) Pers/E-corr/2005 dated 30th December, 2005*
- ⁴ A. Premchand, *“Performance Measurement and Evaluation in Public Expenditure Management,”*- International Monetary Fund, Washington DC, 1993, pp. 189-206

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