
Sindh Population Welfare Budget and Expenditure Analysis (2010 – 11 to 2012 – 13)



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Table of Contents

ABBREVIATIONS & ACRONYMS iv
EXECUTIVE SUMMARY 1
INTRODUCTION 4
 Section 1: Analysis of Budget and Budgetary Trends..... 6
 Section 2: Analysis of Budget Execution and Expenditure Trends..... 8

List of Tables

Table 1: Government of Sindh - Population Welfare Budget and Actual Expenditure	3
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List of Figures

Figure 1: Bar Chart (Population Welfare Department, Sindh)	6
Figure 2: Bar Chart (Budget Estimates).....	8

ABBREVIATIONS & ACRONYMS

ADP	Annual Development Programme
A.E	Actual Expenditure
AKA	Also known as
B.E	Budget Estimates
Bn	Rupees in Billion
FD	Finance Department
FY	Fiscal Year
GoP	Government of Pakistan
GoS	Government of Sindh
Mn	Million
P&DD	Planning & Development Department
PIFRA	Project to improve Financial Reporting and Auditing
PW	Population Welfare
Rs.	Pakistan Rupees
R.E	Revised Estimates
TRF	Technical Resource Facility
Wef	With effect from
YoY	Year on Year basis

EXECUTIVE SUMMARY

1. Unlike other provinces, the provincial share of population welfare budget received from the Federal Government was not reflected as part of budget allocations. Consequently, budget allocations are reported as Revised Estimates (RE) rather than Budget Estimates (BE) in Sindh budget books. The budget analysis for Sindh population welfare component in this report is thus based on "RE and Expenditure" and not "BE and Expenditure" and as the data for 2012-13 would be available in the FY 2013-14 budget, the budget & expenditure data has been analysed for two FY's (2010-11 and 2011-12) only.
2. In both FY's, actual expenditure exceeded the budget allocations, resulting in a budget execution rate of more than 100% (e.g. 123% for the FY 2011-12).
3. Size of the population welfare budget in relation to provincial total budget outlay has remained almost the same in both FY's (i.e. 0.29% in 2010-11 and 0.3% in 2011-12).
4. Population welfare budget has increased by 26% in FY 2011-12. There have been no current budget allocations for population welfare and the entire budget consisted of development budget only; a small expenditure (Rs. 7 mn) is recorded for employee salaries / wages against a NIL allocation in FY 2010-11.
5. Functionally, development budget is split between "Population Planning - Administration" and "Population Welfare Measures" in the ratio of 22:78 during the review period of FY's 2010-12.
6. Employee related and operating expenses together account for 95% of the entire budget (development) allocations in FY's 2010-12. Transfer payments and repair & maintenance are more or less 2% each in both FY's.
7. Operating expenses have recorded a slightly lower budget execution rate (88%) in FY 2011-12 as compared to the rate (91%) recorded in FY 2010-11. Other notable classification, namely, transfer payments have registered a budget execution rate of 100% in FY's 2010-12.

- 8.** A comparison of expenditure levels indicates that employee costs have increased by 29%, operating expenses by 24%, transfer payments by 10%, Physical assets have recorded a rise of 625% and repair & maintenance has grown by 19% over FY 2010-11.
- 9.** Actual expenditure on salaries & wages has exceeded the revised allocations in both FY's (2010-12). Employee related expenses were 71% against an allocation of 66% for the review period. Share of operating expense in development expenditure was 25% in both FY's 2010-12.

TABLE 1: GOVERNMENT OF SINDH - POPULATION WELFARE BUDGET AND ACTUAL EXPENDITURE

(Rs in Million)

	R.E 2010-11	%	A.E 2010-11	%	R.E 2011-12	%	A.E 2011-12	%
Govt. of Sindh								
Current	-	0%	7	1%	-	0%	-	0%
Development	1,097	100%	1,102	99%	1,378	100%	1,406	100%
Total	1,097	100%	1,109	100%	1,378	100%	1,406	100%

INTRODUCTION

1. This Report on Population Welfare budget and expenditure analysis of the Provincial Government (Government of Sindh) has been prepared by Consultant at the request of Technical Resource Facility (TRF).
2. Analysis in this Report cover FY's 2010-11, 2011-12 and 2012-13. Cut-off date for acquiring expenditure data expenditure for FY 2011-12 is 20 January 2013. The actual expenditures for the Population Welfare Department have been used for analysis in this Report.
3. Source of the budget data is from the annual budget documents, where as other data i.e. provincial expenditures is taken from PIFRA System. Data obtained from PIFRA System was also verified on test cases by checking it with records at the Accountant General's Office (Karachi).
4. The document focuses situation from macro perspective and then narrowing it down to micro. It analyses budget and expenditure trends separately. Report is divided into following Sections for clarity and understanding.

Section I Analysis of Population Welfare Budgets and Budgetary trends

Section II Analysis of Population Welfare Budget Execution and Expenditure trends

5. **Section I** attempts to analyse budgetary allocations and how budget has grown over the years in terms of aggregate and at detail levels;
6. **Section II** reviews the expenditure against budget allocations against various dimensions starting from aggregate to detail levels from economic and functional classification perspective.
7. The analysis has been done after extracting and carefully reformulating quite a voluminous budget and expenditure data over last five years (FY's 2008-13). All such data tables forming the basis of analysis have been included as Appendices of this Report which have been referred while appreciating budget analysis.

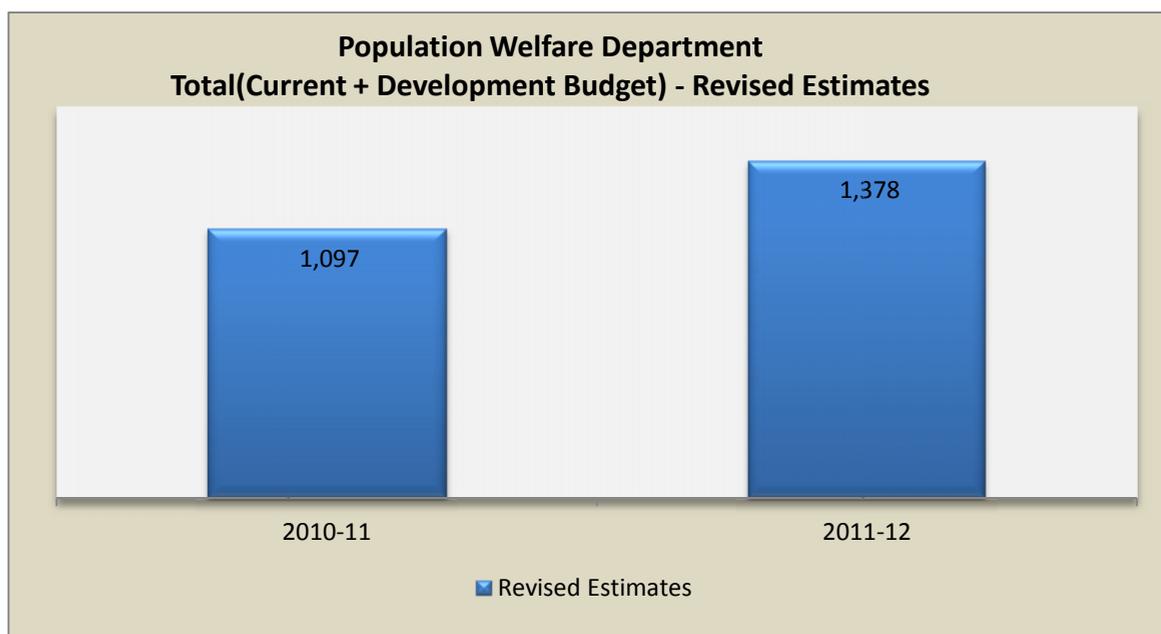
8. With in Appendices, Appendix A – Glossary of terms has been specially developed which describes key budget and expenditure terminologies which will guide readers in appreciating relevant financial terms and its local connotation.

9. Key assumptions – the budget and expenditure analysis following sections does not provide commentary on:
 - Budgetary processes and flows, basis of budgeting and budget priorities used formulating budget estimates and their revision
 - Causes and reasons for low budget execution (spending)
 - The qualitative impact and aspects of expenditure
 - Budget formulation and budget execution procedures and institutions

Section 1: Analysis of Budget and Budgetary Trends

1. This Section of the Report provides analysis on the budget allocation and its historical trends during three financial years i.e. FY's 2010-11, 2011-12 and 2012-13 for Population Welfare Department, Government of Sindh. It starts by providing analysis on the total budget allocation (current and development) i.e. providing the macro perspective, then describes typical composition of current / development budget and then finally drills down separately into allocations for current and development budget for the Government.

FIGURE 1: BAR CHART (POPULATION WELFARE DEPARTMENT, SINDH)

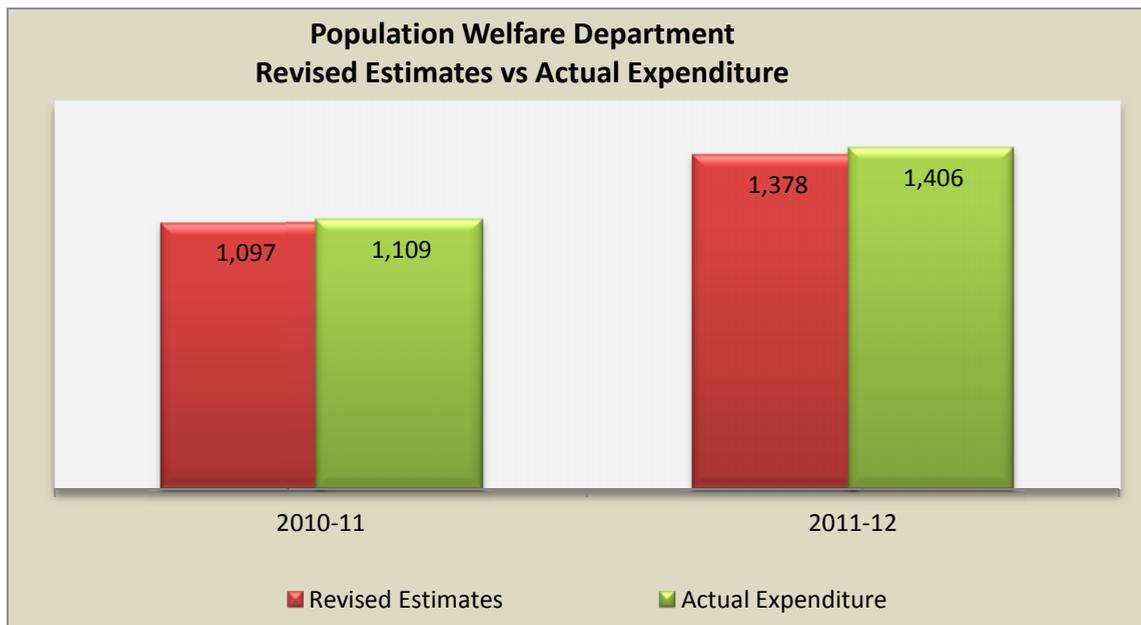


2. Until FY 2011-12, provincial share of population welfare budget received from the Federal Government was not reflected as part of budget allocations, rather treated as a supplementary grant in provincial budget books. This practice is different from the one followed in other provinces (which account for their respective share of population welfare as part of their original budget allocations). Consequently, budget allocations are not reported as *Budget Estimates (BE)* rather as *Revised Estimates (RE)* in Sindh budget books. The budget analysis for Sindh population welfare component in this report is thus based on "*RE and Expenditure*" and not "*BE and Expenditure*".

3. Since FY 2012-13, development portion of the population welfare has been accounted for as part of the provincial ADP 2012-13. Budget allocations have been separately reflected for new and ongoing development schemes.
4. RE's data is available on completion of *relevant* FY and not at the start of the year. For example, RE for FY 2012-13 will be available when FY 2013-14 budget will be announced. Due to this, the budget & expenditure data has been analysed for two FY's (2010-11 and 2011-12) only.
5. Population welfare budget has consisted development budget only throughout FY's 2010-13 (Table 1 & 3, Appendix C).
6. Size of the population welfare budget in relation to provincial total budget outlay has remained almost the same in both FY's (i.e. 0.29% in 2010-11 and 0.3% in 2011-12) (Table 2, Appendix C).
7. Population welfare budget has increased by 26% in FY 2011-12 (Table 4, Appendix C).
8. Employee related and operating expenses together account for 95% of the development allocations in FY's 2011-12 and 2010-11. Transfer payments and repair & maintenance are more or less 2% each in both FY's (Table 6, Appendix C).
9. Share of population welfare budget in provincial ADP has slightly increased from 0.95% in 2010-11 to 1.1% in FY 2011-12 (Table 6A, Appendix C).
10. Functionally, development budget is split between "Population Planning - Administration" and "Population Welfare Measures" in the ratio of 22:78 in FY 2010-11. This ratio remained unchanged in FY 2011-12 (Table 7, Appendix C).
11. In FY 2012-13 an allocation of Rs. 362mn has been made for five development schemes. This included Rs. 300mn for three un-approved development schemes for establishment of Facilitation Centres, Revitalization of Population Welfare Institutes and Rehabilitation of RHS centres in Sindh (Table 8 & 9, Appendix D).

Section 2: Analysis of Budget Execution and Expenditure Trends

FIGURE 2: BAR CHART (BUDGET ESTIMATES)



1. This Section of Report provides analysis on expenditure trends for FY's 2010-13 for Population Welfare Department, Government of Sindh.
2. Since population welfare primarily comprises development budget, the commentary in the following paragraphs is about expenditure trends in development budget only. There have been no current budget allocations for population welfare in Sindh. However, a small expenditure (Rs. 7 mn) is recorded against employee salaries / wages in FY 2010-11 (Table 4, Appendix B).
3. In both FY's (2010-11 and 2011-12), actual expenditure exceeded the budget allocations, resulting in a budget execution rate of more than 100%. For example, the budget execution was 101% and 102% in FY 2010-11 and 2011-12 respectively (Table 1, Appendix D).
4. PW budget execution rate is less than the overall budget execution rate for the province (i.e. 123%) for FY 2011-12 (Table 2, Appendix C).

5. Development expenditure for population welfare has increased to Rs. 1.4 bn, indicating a growth rate of 28% in FY 2012-13 (Table 4, Appendix D).
6. Since there are no *budget allocations*, the comparison of actual expenditure has been done with *revised allocations (RE's)* only. Budget execution rate for all object classifications is based on RE's. Within the object classifications, employee costs have achieved a budget execution rate of more than 100% in both FY's. This execution rate actually increased from 106% in FY 2010-11 to 109% in FY 2011-12. Operating expenses have recorded a slightly lower budget execution rate (88%) in FY 2011-12 as compared to the rate (91%) recorded in FY 2010-11. Other notable classification, namely, transfer payments have registered a budget execution rate of 100% in FY's 2010-11 and 2011-12 (Table 5 & 6, Appendix D).
7. A comparison of expenditure levels indicates that employee costs have increased by 29%, operating expenses by 24% and transfer payments by 10% in FY 2011-12. Physical assets have recorded a rise of 625% in FY 2011-12, while repair & maintenance has grown by 19% over FY 2010-11 (Table 7, 8 & 9, Appendix D);
8. Actual expenditure on salaries & wages has exceeded the revised allocations in both FY's (2010-12). For example, employee related expenses were 71% of the development expenditure in FY 2011-12 against an allocation of 66% for the same year. The situation was almost the same in FY 2010-11. Share of operating expense in development expenditure was 25% in FY 2011-12, unchanged from the level recorded in FY 2010-11 (Table 10, Appendix D).
9. Ratio based on revised for two functional classifications (population planning administration and population welfare measures) was 22:78 in FY 2011-12. The ratio based on actual expenditure is slightly different from this (i.e. 19:82) (Table 12, Appendix D).

