

Preparation of database on budgets of Municipal Corporations in India

Storyline...

The client is a Hyderabad based company involved in research and analysis of the financial health of state governments and local governments in India. The client approached MaGC for digitizing municipal budgets of three years of select Urban Local Bodies across India.

MaGC built a repository of municipal budgets for three financial years of forty-six large and medium Urban Local Bodies for the client.

Once upon a time...

One of the business objectives of the client was to make available a databank of municipal financial data for analysts and other users. However, lack of uniformity in budget presentation in municipal corporations across India posed a major constraint. Unstructured data made any attempt to build the databank a non-starter. As a first step towards building the databank, the client engaged MaGC to digitize municipal budget documents, align them to a common framework, standardize presentation across, and build a repository of municipal budgets.

Moving on...

MaGC team began by collecting budget documents of the selected Municipal Corporations. The budget documents were indexed and analysed to identify data gaps and arrive at a common template for data digitization. The National Municipal Accounting Manual (NMAM) was used as the common framework. The template was discussed with the client and finalised. MaGC's extensive experience in financial reforms in the municipal sector proved valuable in finalizing the template quickly.

This was followed by a round of sensitization to the data digitization team on the common template, the digitization conventions, and the control checks. The team leader constantly supervised quality aspects such as data accuracy and consistency (Major and minor head totals, grand totals, account codes) and so on. A separate report on accuracy of data entered was prepared for each dataset. Active involvement of the client throughout the process was useful in addressing issues as and when they arose and in finalizing each dataset.

In all, budgets for three financial years of forty-six large and medium sized urban local bodies across India were covered resulting in digitization of more than 130 budget documents. The source data posed a number of challenges which included lack of uniformity amongst the documents, inconsistencies in presentation from one year to another, language inconsistencies and so on. The final repository included function wise, account head-wise presentation of budget information in line with the National Municipal Accounting Manual (NMAM) chart of accounts conventions.

Finally...

The spreadsheet based municipal budget repository offered a wealth of data to municipal finance analysts, researchers, policy makers, and citizen groups. Since each dataset was classified state-wise, year-wise, under proper budget categories, and aligned to the NMAM framework, it made data analysis and subsequent usage easier. The MaGC methodology enabled the client to build the repository in a short time, in spite of the immense data challenges. The exercise provided valuable learnings to the client for the larger exercise of building a municipal databank.

