

# PROOF

Public Record of  
Operations & Finance

**Building confidence with PROOF**  
**Bangalore Mahanagara Palike**

**August 17<sup>th</sup> 2002**

PROOF

# The Resource Conundrum

- **The Burning Issue for the BMP**
  - **Raising Resources: Consistent shortfall of 30% - 50%**
- **The Solution**
  - **Plenty of revenue opportunities that can be enhanced: Property tax, Building licences, Advertising, Parking etc.**
- **The Problem with the Solution**
  - **Requires citizens and other stakeholders to voluntarily participate**
- **The Credibility Gap**
  - **Citizens are convinced that government management of money has many weaknesses**

## The facts before us

- **There are extraordinary people in Government**
- **Citizens have a problem with the “system”, not the people**
- **Citizen participation is not only mandated, but also the only way out**
- **Change is difficult, but necessary**
- **Only hard, consistent evidence will provide a platform for trust**

# Instruments of Public Disclosure

- **The only regularly released statement of finances by any government is the Budget**
  - Focus primarily on promises
  - Some performance information, but unchecked
- **Role of the Budget for performance appraisal is limited**
  - Periodicity: only once a year
  - Process: Decisions already made
- **The Budget needs to be supplemented by periodic Statements of Performance**

# Instruments of Public Disclosure

- **Global disclosure standards becoming rigorous**
- **Government Accounting Standards Board (GASB) :  
34 Statements of required government disclosure**
- **CAG preparing White Paper on accounting stds**
- **Several states and agencies making progress**

# Attributes of Performance Disclosure

- **Disclosure norms evolved over 400 years**
  - Minimal protection for stakeholders early on
  - Rapid acceleration in the 20<sup>th</sup> century
- **Significant attributes of Financial Statements:**
  - Predictability: Every 3 months
  - Standardisation: broadly accepted framework
- **Mushrooming of monitoring skills among stakeholders: system of checks & balances**

# The Campaign for PROOF

- **PROOF: Public Record Of Operations and Finance**
- **What does PROOF contain:**
  1. **Financial Statements**
    - Revenue and Expenditure Statement
    - Assets and Liabilities (form of Balance Sheet)
  2. **Performance Indicators**
    - Barometers of efficiency
  3. **Management Discussion & Analysis**
    - Areas of focus, concern, priorities etc.
- *“Starting with the quarter ending June 30th 2002, the campaign is about the BMP building confidence with PROOF: full and accurate performance information to the city’s various stakeholders”*
- **4 Statements of PROOF during FY 2002-03**

The logo for PROOF, with the word in blue capital letters. The 'O's are stylized with red dots in the center.

# Performance Indicators

- **Why are performance indicators so important?**

1. Are you getting what you pay for?
2. How many goods and services do you get for your money?
3. What about the quality of those goods and services?
4. Do you get good value in return for your tax rupees?
5. Do those goods and services help improve your life?

# Performance Indicators

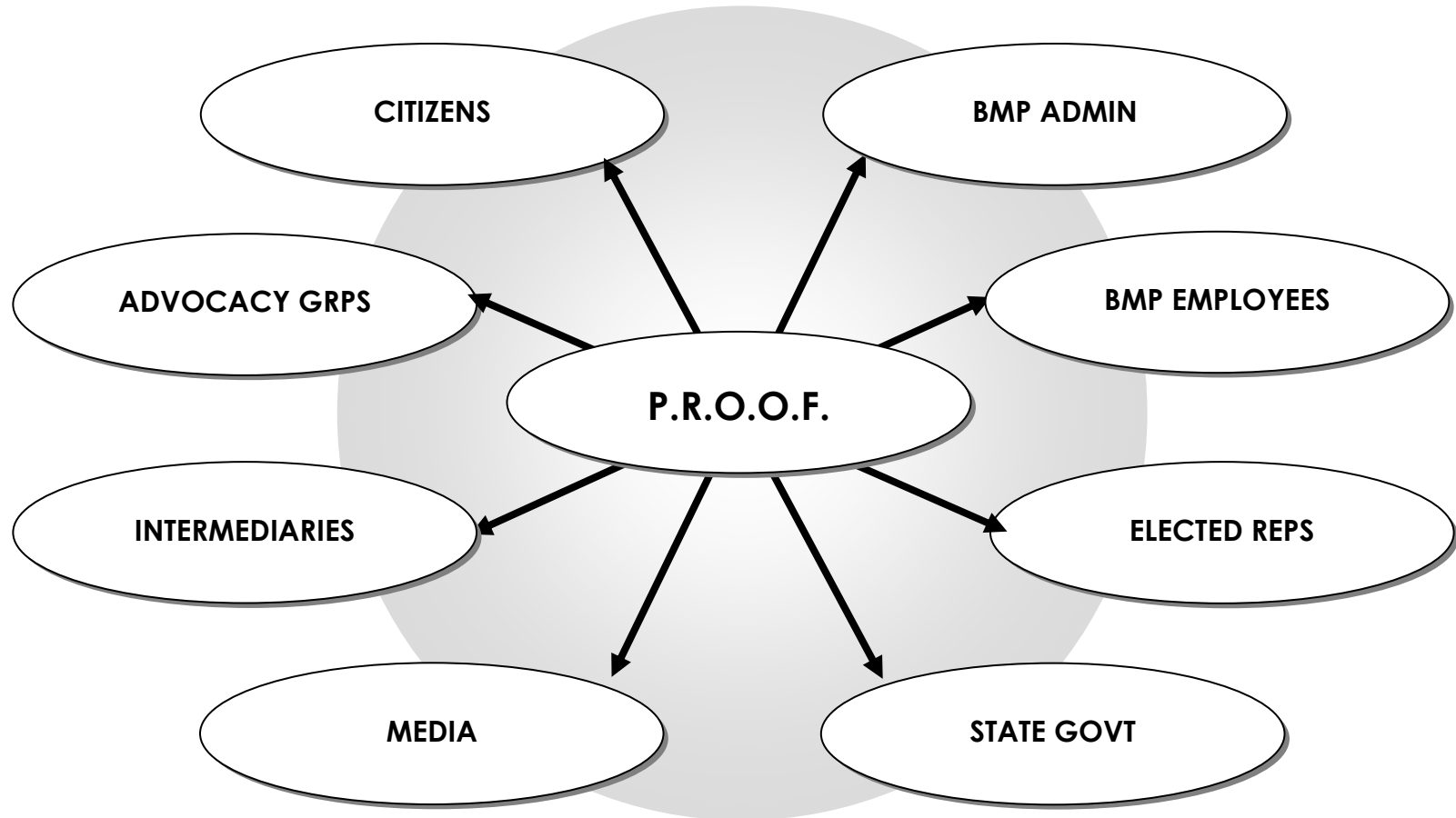
- **What is an example of performance measurement?**

In our Corporation schools, Performance Indicators could be used to see whether this activity is delivering value, :

- Cost/ student per year
- Teacher-student ratio
- Pass percentage
- Attendance ratio
- Quality of Infrastructure index

These indicators could be used to reward/recognise employees

# The Benefits of PROOF



Thank You

**PROOF**