



**Creation of Indian Civil Accounts Service (ICAS) a huge reform in the Public Financial Administration in the country says Controller General of Accounts (CGA) Ms Archana Nigam at the 41st Civil Accounts Day held yesterday, March 01 2017 98% of total payments of the Government in value terms and 95% in volume terms have been routed through the e-payment mode**

**The Public Financial Management System (PFMS) has helped the Government to effectively monitor utilization of funds transferred to States and implementing agencies**

Posted On: 02 MAR 2017 2:13PM by PIB Delhi

Smt. Archana Nigam, Controller General of Accounts (CGA), said that creation of Indian Civil Accounts Service was a huge reform in the Public Financial Administration in the country. She was delivering the keynote address at the 41<sup>st</sup> Civil Accounts Day function on Wednesday, March 1, 2017 at Vigyan Bhawan, New Delhi to mark the 41<sup>st</sup> anniversary of the inception of the Indian Civil Accounts Service (ICAS).

The event marks the 41<sup>st</sup> anniversary of the creation of the ICAS by the amendment of the C&AG (Duties, Powers & Conditions of Service) Act, 1973 w.e.f March 1, 1976. With this major reform in Public financial administration, the C&AG was relieved of his responsibility of compiling the Accounts of the Union Government. For discharging the payment, accounting and internal audit function in the Union Government, the Office of the CGA was set up in the Ministry of Finance, Dept. of Expenditure with its field formations in line Ministries/ Departments.

The highlights of the deliberations held on this occasion are as follows: -

- Last year at the 40<sup>th</sup> Civil Accounts Day function, the Hon'ble President of India was the Chief Guest at the Inaugural Session. Interestingly, the Hon'ble President of India, who served as the Union Minister of State for Finance between 1975 to 1977, was one of the key architects of this reform.
- Since its inception, the ICAS has been a pioneer in the use of Information Technology in Payments, Accounting and Financial Reporting catering to the real time demand for accounting data on public finances by the decision makers.
- Introduction of E-payments through the banking system has facilitated prompt collections and payments. Presently, over 95% of total tax revenues are through electronic mode. In financial year 2016-17 so far, Government payments to the tune of Rs 5.95 lakh crore (out of the total payment of R 6.05 lakh crore) were routed through the electronic mode. 98% of total payments of the Government in value terms and 95% in volume terms have been routed through the e-payment mode. The online Non Tax Receipts Portal (NTRP) that enables a citizen or a corporate entity to make online payment for availing specific services provided by Departments, has also been operationalised. The receipts processed through NTRP in 2016 -17 as on date are to the tune of Rs 90,000 crore and reflect a growth by almost 30 times in terms of value and 24 times in terms of volume in comparison to 2015-16.
- The Public Financial Management System (PFMS) has helped the Government to effectively monitor utilization of funds transferred to States and implementing agencies, especially in respect of national priority schemes, through Direct Benefit Transfer (DBT). Beneficiaries of these schemes now receive funds directly into their bank accounts at the local level. Consequently, there has been significant reduction in leakages and increase in savings to the Government. Benefits of automation in the payment processes have led to further improvements in financial reporting and accounting. All PAOs of Central Civil Ministries/ Departments are already on board PFMS. Significant headway has also been made in the area of Treasury Integration. At present 23 states have been integrated. Efforts are on to achieve 100% integration by 31<sup>st</sup> March, 2017.
- A roadmap approved by Finance Secretary for implementing the accrual accounting suggests pilot runs in civil Ministries in the short term after necessary capacity building. As convener of Apex Committee headed by Secretary (Expenditure) for implementation of Accrual basis of accounting, the CGA would be taking forward transitional steps through pilot studies together with other Non-Civil Ministries/Departments in a consultative mode. Given the importance of proper recording and

measurement of Assets, the CGA shall be augmenting the policy for recording and measurement of assets on Cash Basis also in collaboration with administrative Ministries/Departments for building up rigorous FRBM related Assets Register based on the these guidelines.

- The Web Responsive Pensioners' Service of the Central Pension Accounting Office has been launched to provide an interface to pensioners and other stakeholders to information at various stages of the pension process.
- An MoU has been signed by the office of CGA with the Institute of Internal Auditors (IIA) -India aimed at strengthening of Internal Audit function in line Ministries. In a paradigm shift, the MoU will facilitate the use of professional knowledge and skills in the conduct of Risk based Internal Audit and in the capacity building of Government Internal Auditors.

\*\*\*\*\*

**DSM/VKS**

(Release ID: 1483523) Visitor Counter : 51

