

Keynote Address by CGA
on
Civil Accounts Day, 01st March, 2011

Shri Jawahar Thakur, Shri M.J. Joseph, esteemed former CGAs and Addl. CGAs, senior serving and retired officers of the Civil Accounts Service, officials of the Civil Accounts Organization, colleagues and friends.

We are gathered here today to celebrate Civil Accounts Day. Today is special as it marks the completion of thirty five years of the Department and the Indian Civil Accounts Service. This is the fourth year that we are commemorating this day in the form of a formal event to mark this special occasion. While it gives us an opportunity to come together and look back on all that has been achieved in the span of thirty five years, it is also an occasion for enunciating our vision for the future.

Our achievements over the years give us reason to be proud. Over the last thirty five years, this organization has been responsible for instituting a credible financial reporting system that is critical for enhancing transparency and accountability in the management of public resources, consistent with the statutory obligations on financial reporting and proactive disclosure. The major achievements of the organization in the area of public financial management is ensuring timely payments, putting in place a robust revenue collection system, full compliance to reporting requirements, complete satisfaction to user departments and ministries regarding their management information requirements, timely payment of pensions and efficient management of provident fund of employees. Ongoing improvements in business processes, shift towards 'e' mode

replacing the manual system, reduction in timelines for processing and consolidation, improvements in accounting accuracy and client centric reporting have been related contributions of our organization. This has ensured a seamless flow of information from the executing level to the policy making level. Financial information is timely and, hence, acts as an aid to management, be it the monthly analytical reviews on the Governments finances which are available before the end of the following month, or the unaudited annual provisional accounts which are made available within two months of the close of the financial year. We provide reports which are comprehensive and easily readable and we have succeeded in placing in the public domain such information on Governments finances as ensures greater transparency.

Let me start by talking about our most recent 'High'. Nearly 75 senior officers of the Indian Civil Accounts Service met at a 'retreat' during the week-end just passed. I was overwhelmed by the high spirit, enthusiasm and motivation of these officers. I have no doubt that this spirit runs through the various levels of the hierarchy, who could not be present in the 'retreat'. I count upon this as the single most important strength of the organization.

When I spoke to you last year I had identified a number of areas which were worthy of singular mention - principally, the office space allotted to us at the CGO Complex at INA, New Delhi, the CPSMS Project, the revision of the format of the Union Government accounts, the various IT initiatives in a wide spectrum of areas, implementation of 'SEVOTTAM' and improving on our internal audit functions as a part of the 'quality assurance process'. At that time, I thought I would be able to report to you

substantial progress, if not completion, on many of these areas. I must confess that my enthusiasm was running faster than real life ground realities and we, now, hope to complete many, if not most, of these in the ensuing year. I must also say that any slow down is not as a result of slackness at any quarter but as a result of anchoring the change more strongly and out of our anxiety to establish, as I called last year, ‘world-class financial management information systems’.

As you are aware, the CPSMS system is being implemented on a pilot basis in four states and covering a limited number of flagship programmes of Government in these states. We have completely mapped all the plan schemes and the accounts heads and mapped all the recipients in the first tier of hop in the downward flow of funds. We have set-up the necessary interfaces between our servers and the CBS servers of nearly eleven banks and by the end of March all 28 banks will be on board. We are, today, in a position to view the transactions and the position of the availability of funds of these entities on day-to-day basis. The most significant achievement has been the proof or ‘validation of concept’ behind our model of the project as we go to implement the CPSMS in the pilot projects in the states. You would be happy to note that in Bihar, for instance, under the National Rural Employment Guarantee scheme, we have been able to register all the Panchayats and other related agencies implementing the scheme in the State. In Madhya Pradesh, in respect of the National Rural Health Mission, again, we have been able to register all the agencies at each level of the hierarchy. What is important is that are able to view the bank accounts of these agencies. This would be of immense help to the programme managers to implement ‘just in time’ funding thereby

eliminating idle float of funds. No administrative authority ever imagined this would actually be possible a few years back.

We are currently in the process of finalizing the detailed project report and I hope we will see major progress in this area in the coming year and many future years.

My congratulations to all officials of the CPSMS team on their success so far and I think they deserve a round of applause.

The journey for full implementation of CPSMS is certainly long and it requires each one of you to give out your best so that this always remains as our programme. You, no doubt, appreciate that there are enough predators out there.

IT has been our strength. A highly skilled and well-trained IT work-force and a strong IT infrastructure have catalyzed and contributed to our achievements in Public Financial Management. There has always been a full top management commitment to introduce and steer reforms while introducing modern IT systems for better efficiencies and accountability at all levels. I am confident that this commitment will not waver in the future also.

For the present, the CGA's office is engaged in the development of an e-payment gateway to enable digital signature based payment system, setting up of an intra CGA virtual private network, banking interface for CPSMS and a centralized GPF system. Some of the other focus areas include: improved accounting accuracy and process efficiency, integration of

monthly and annual accounts systems, development of an integrated DDOs package enabling electronic incorporation of data into COMPACT, deployment of a module for inter Government advices issuance through Principal Accounts Offices, interfaces with the Central Accounts Section of RBI etc.

While we seem to have got the accounting for receipts through internet banking right, a major area of challenge is on receipts through credit card payment, phone-banking and so on. We also need to work on new innovations in the banking arena arising from the thrust on financial inclusion.

I had mentioned last year that many of these would be operational during 2010-11 after required security and functional certifications were obtained. As we are now leveraging IT enabled payments systems we need to be extra-cautious in obtaining these clearances. In fact, in view of the practice of releasing continuous improvement through patches, (which is a common IT practice) it has been decided that we must obtain these security clearances on an annual basis.

Again, last year, I had indicated that the time has come to make a fresh requirement analysis of the various systems and to work on the development of a new application on the latest technology platforms. We are in the process of finalizing the international consultants for a detailed road-map of reforms in the IT systems, based on futuristic technology trends.

Reforms in internal audit, comprising of a paradigm shift by moving beyond complex and regulatory audit to a risk-based audit approach continues to be an area of high priority. Strengthening the internal audit set-up in Ministries, both in terms of man-power and necessary expertise, is a critical component of improving the functioning of internal audit systems in the Ministries. And we are addressing these issues in a concerted manner, together. CCAs have carried out risk based audit of schemes; they are also restructuring their Group B and C cadres in a way that would provide the required manpower. Capacity building efforts are required to upgrade the skills of our internal audit staff and INGAF has taken the lead in providing international quality education to staff and officers engaged in internal audit. The strengths and initiatives of INGAF have also been recognized by the World Bank who have chosen INGAF to play a lead role in an IDF funded project for capacity building of government internal auditors for the entire South Asia region. The capacity building strategy of CGA's office focuses on ensuring minimum conceptual knowledge and understanding of modern internal audit across all levels, ensuring a critical mass of trained internal auditors within the organization and developing a pool of key resources in modern internal audit by giving them professional training and exposure to international best practices. We are also exploring formal institutional linkages towards this end.

CPSMS, internal audit and process improvements from IT may be our next big challenge but it is also an opportunity. It was Winston Churchill who said "Difficulties mastered are opportunities won". We have proved before that we are up to meeting challenges and overcoming difficulties.

Let me also bring you up-to-date on some other initiatives and activities that the Office of the CGA has been engaged with in the year gone by. Many of these require your full support and involvement in bringing them to fruition.

We undertook an exercise to assess the staff requirement in CGA's Office this year and moved a proposal for staff augmentation. I am happy to tell you that we have got an additional 102 posts sanctioned for the CGA's Office, bulk of which are at AO/Sr. AO and AAO levels. Along the same lines, we had asked the Principal CCAs, CCAs and CAs to undertake a cadre review of Group 'B' and 'C' posts with them, so that staff in the accounts wing gets augmented as the work in line Ministries expand and/or new ministries and departments are created. Many of you have taken the initiative towards this end and also succeeded in getting posts en-cadred at various levels. This will yield benefits not only in terms of providing technically qualified manpower support to man these but also speed up promotions in the Assistant Accounts Officers cadre.

We are acutely conscious of the need to speed up promotions from AAOs to PAO. With the creation of 51 posts in the grade of PAO during the last one year, sponsoring of names for deputation etc. the waiting period for promotion from AAO to PAO has been reduced to 16½ years as compared to 18 years at the same time last year. I would, once again, request my colleagues the CCAs and CAs in the Ministries to conduct a detailed cadre review, covering all posts in the B & C categories, including the internal audit function and take steps to have these posts created on an urgent basis for this step above can bring substantial improvement in the stagnation in these cadres.

Training of the officials in the Gr.'B' cadre for greater professionalization is receiving our concerted attention. The programmes of INGAF are being comprehensively reviewed for this purpose. We would, no doubt, be continuing the one year programme at NIFM for AO, Sr. AOs. We hope to send more officers for this programme in the coming years. We are also in the process of setting up a data-base for better cadre management of the Gr.'B' cadre in all its aspects. For the Accountants, we are undertaking a systematic programme to train or coach them for the AAO (Civil) examination as these officials must be enabled to reach their full potential. While in the past years around 80 candidates passed the exam. in 2008 exam., our efforts resulted in 181 candidates passing and this went up to 215 in 2009 exam.

Of interest to a large number of you is the cadre re structuring exercise for Group 'A' officers. The expansion in the scope and nature of our work over the years and the need to provide adequate accounting and accountability support to all Ministries acted as a catalyst as did the desire to address the aspirational issues in the cadre. We are aiming to augment the middle management level which has been missing in some of the Ministries; our focus is equally on strengthening internal audit mechanisms. This is under consideration of DoPT at present.

You are all aware of the fact that we have succeeded in getting our own building in the INA office complex. We are now working to ensure that we move into our new building in the first half of next year.

The area of pensions is both a matter of pride and concern for us. I shudder to imagine the chaos and the plight of our pensioners after the 5th and 6th Pay Commission recommendations, were it not for the outstanding team in CPAO trying to out-perform their best. Yet, the number of regular pension cases are almost double the numbers at the time of the setting up of the CPAO. While we need to urgently augment our manpower resources in CPAO, we also need to look at leveraging our strength in IT, and at some process re-engineering, so that we are not over-whelmed by the surge.

INGAF has always been our pride, nationally and internationally. It has continued to excel in its performance not only in terms of the number trained but also in terms of the width and quality of training. Every one of the participants coming to INGAF goes back with the feeling ‘yeh dil mange more’.

We in Government work in an environment determined by legal rules and a great deal of importance is attached to lawful and rightful conduct. There is little doubt that we are living in difficult times. Expressions like ‘governance deficit’ and ‘ethical deficit’ are unfortunately used to describe the times we live in. It follows therefore that we must maintain at all times the highest levels of integrity and probity. Samuel Johnson said that “each person’s work is a portrait of himself”. We should strive, therefore, to always put our best foot forward and remember that everything we do is a reflection not only on ourselves, but on every member of our Service and our Organization.

On Civil Accounts Day, we acknowledge and reward the effort and hard work of our staff and officers. This year we have used a set of objective

and quantifiable criteria, to measure the performance of Pay & Accounts Offices. The awards are being given to those units which have scored high on the set parameters. This year we have also awarded those who have taken the initiative to go beyond their routine tasks and responsibilities and innovated in a way that has contributed to overall efficiency of the organization and performance of the larger department to which they belong. The “CGA Best Practices Award” has been instituted and awarded on the basis of the innovativeness, replicability and sustainability of such outstanding initiatives of the PAO which reflect an element of Business Process Reengineering in a way that promotes G2G, G2B, G2C or G2E interaction. I am confident that this will serve as an inspiration to others, an example they will emulate to set higher bench marks for themselves as well as for those working with them.

Ours is still a young service and like the youth of this country, delivering beyond expectations. And yet there are many more milestones to conquer. We have a number of bright young officials joining at various levels and our culture must reflect the hopes, aspirations and the potential of these youngsters. I assure you that we will strive every bit in helping you realize your dreams.

Let me leave you with this thought from Thomas Edison which I hope you will keep with you always:

“I am not discouraged because every wrong attempt discarded is a step forward.”

Let me conclude by wishing the best to all members of the Civil Accounts family on the occasion of the Civil Accounts Day.