

**Hon'ble Rashtrapati Ji, Hon'ble Finance Minister Shri Arun Jaitley, Shri Ratan P Watal, Finance Secretary and Shri M P Joseph, Controller General of Accounts, Officers and staff of the CGA organization, Ladies & Gentlemen**

Forty years ago on this day the 1<sup>st</sup> of March, the responsibility of maintaining the accounts of what were then known as the 'Civil Ministries of the Central Government' was transferred from the Indian Audit and Accounts Department to a separate accounting organization created under the Department of Expenditure in the Ministry of Finance. A separate Group 'A' Central Services, the Indian Civil Accounts Service headed by the Controller General of Accounts, was formed to carry out this function.

This is a day for all of us to reflect on the achievements of the CGA's Organization in particular and the state of government accounting in general and also on the agenda for the coming years.

It is a matter of profound satisfaction that the organization of Controller General of Accounts has made substantial strides in its work sphere. It has responded to the challenge thrown up by the increase in the size and complexity of government functions and has adapted well to the emerging challenges of information processing. The organization has kept pace with technological developments by introducing computerization for both the payment and accounting functions. For more than 15 years now, the CGA has been publishing monthly updates on the summary accounts of the Central Government. Progress made in Scheme-wise monitoring of expenditure, e-payments and non-tax revenue management deserve special mention.

However, a dynamic organization like CGA providing crucial services to the government in financial management cannot, and I am sure will not, rest on its laurels.

I wish to briefly touch upon a few steps required for a modern e-enabled payment and accounting system, embedded in the broader public finance management system.

At a macro level, comprehensive revision of format of accounts to keep pace with the developments in the area of international standards and stakeholders' growing information needs is due. It is also necessary to provide information regarding source of funds, beneficiary orientation of public expenditure and perhaps geographical tagging by using information technology. Further, under receipts, an economic classification and linkage of tax receipts classification with classification of sectors and subsectors of GDP in National Income Accounts could be explored. The recommendations of the Committee set up in this regard are under consideration of the government. We have to cull out a feasible agenda of action from this.

The Government Accounting Standards Advisory Board was set up in 2002 in my office. The CGA as well as heads of other accounting organizations and services are active stakeholders in this Board. The recommendations of the Board are sent to the Ministry of Finance. It requires the efforts and attention of all the stakeholders in public financial management to see that the standards are notified and implemented expeditiously. The accounting standards need to be revised in tune with the best international practices. Some recommendations have been notified and few others are under consideration of the government.

A strong internal audit system provides the first level of assurance to my organization about the adequacy and robustness of internal controls. At the instance of the Ministry of Finance, the CAG had set up a task Force on Internal Audit in the past. Subsequently, the matter was deliberated by the second Administrative Reforms Commission and by committees set up by the government. It is an important item for the CGA in particular and

government in general and I am confident concrete steps would be taken in this regard.

Under the Fiscal Responsibility and Budget Management Act, there is disclosure on what revenues the government has to realize and the revenue which is due but not realized. Similarly, I feel there should be proper disclosure of what the government owes in terms of unpaid claims for goods and services already supplied or consumed by it. Similarly, improving the system of asset accounting continues to be part of the unfinished agenda as it is also an important ingredient of the government's obligations under the Fiscal Responsibility and Budget Management Act.

The potential of using the mass digital data generated in the process of compilation and consolidation of government accounts is huge. We have initiated steps to deal with the challenges posed by big data. One of the biggest databases that would merit the application of advance data analytics tools is the data on government accounts from the transaction level to the highly aggregated accounts presented to the Parliament.

We have always had a high degree of cooperation from the Controller General of Accounts and I hope that we will continue to work together to further improve the government accounting systems to enhance accountability mechanism in the Government. I thank the CGA for inviting me on this occasion and allowing me opportunity to share my thoughts with all of you.

I wish the Indian Civil Accounts Department all success for future.