

PRESS RELEASE

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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CAG ADDRESSES STATE FINANCE SECRETARIES CONFERENCE

The Comptroller and Auditor General (CAG) of India has organized first State Finance Secretaries Conference in New Delhi on 8th October 2024. The first of its kind under the aegis of the CAG of India, it was attended by Secretary (Expenditure), Government of India, Additional Chief Secretaries / Principal Secretaries / Secretaries (Finance) of the States, representatives from the RBI, constituted accounting services of the Centre and Ministry of Finance, GoI, State Accountants General dealing with the Accounting and Entitlements functions of the States and senior management and officials of the CAG of India.

CAG of India plays an important role in the federal fiscal space serving as a common thread between the Union & State Governments. CAG is not only the supreme public sector auditor of the Union and State Governments and its entities but also tasked with compiling accounts of States' and presentation of their annual accounts in the respective legislatures. The Conference seeks to institutionalize CAG's outreach to the stakeholders and also to strengthen communication with the State Governments and other stakeholders to address public financial management issues, including the strengthening of transparent and accountable financial reporting and its reforms.

CAG, Shri Girish Chandra Murmu, in his inaugural address, focused on the need for harmonization of expenditure at the disaggregate level of Object Heads for all States and the Union Government, a matter that has engaged the attention of a number of stakeholders for some time now. This, he hoped would be a key outcome of the Conference. He also urged stakeholders to work in tandem to enable advancing the date of finalization of monthly accounts in States by the 10th of the succeeding month from the existing timeline of 25th of the succeeding month. CAG, he said, shall remain engaged with stakeholders, especially the Union and the State Governments, to strengthen and make the public financial management architecture robust and sustainable. He impressed on the fact that that the reforms in the financial management

applications, such as the Central PFMS, State IFMS, RBI's e-Kuber, etc., need to closely interface with the CAG's accounting application in the States for robust and timely reporting.

Deputy CAG (Government Accounts), Shri Jayant Sinha, in his welcome speech stated that it has been decided to make the Conference an annual event in the fiscal calendar. This would provide an opportunity for engaging with the State Governments and related stakeholders in the fiscal space on the broader issue of public financial management.

The Conference deliberated on a host of subjects relating to the State finances, fiscal parameters, repository of fiscal information, harmonization of expenditure classification at the primary level of expenditure across the States, advancing the closure of monthly accounts of the States, preferably by 10th of the next month and review of practices relating to utilization certificates against the grants against the States.

The deliberations in the Conference and the common view reached would go a long way in strengthening and sustaining the public financial management practices including timely and quality financial reporting and comparative fiscal information across the states for informed decision making.