Business Standard

Idle parking of government funds restricts growth: Arun Jaitley

IANS | New Delhi September 14, 2016 Last Updated at 18:38 IST

Finance Minister Arun Jaitley on Wednesday said parking of government funds for a long time without being utilised restricts growth, and it is the technological advancement in the Public Financial Management System (PFMS) that helps to make this process more transparent.

"Indefinite parking of government funds at various ends restricts growth. It not only leads to inefficiency but also creates impediment to growth," Jaitley said at the inauguration of Mahalekha Niyantrak Bhawan, the new official premises of the Comptroller General of Accounts (CGA).

Public Financial Management System enables tracking of government funds and ensures the money meant for a project is being spent on it, he said.

"Growth has increased, which in turn has resulted in manifold growth in expenditure. Expenditure would increase much more in the coming year. It's needed for faster growth," Jaitley said.

Emphasising on the importance of CGA for an analysis of where the government stands, he said, "Accounting process has also become much faster," he added.

The government has asked the states to join the PFMS, in which nine states have already started the process of data exchange, Controller General of accounts M.J. Joseph told reporters.

"Nobody is forced to adopt it. It is being implemented keeping in mind the spirit of cooperative federalism," he said, adding that 15 more states will be added soon.

Joseph said, "The aim is to integrate all the states in PFMS by March 31, 2017."

Regarding West Bengal opposing the integration, he said the Centre has again written a letter to West Bengal Finance Secretary to reconsider the decision.

A Memorandum of Understanding (MoU) was also signed on the occasion between the CGA and the Institute of Internal Auditors (IIA), India, aimed at strengthening the internal audit function in various ministries and departments of the government.

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