

States can't park funds indefinitely, says Jaitley

BY ASIT RANJAN MISHRA

asit.m@livemint.com

NEW DELHI

Strengthening the case for states to join the Public Finance Management System (PFMS) that tracks disbursement and utilization of public finances on a real-time basis, finance minister Arun Jaitley on Wednesday said states cannot indefinitely park funds without utilizing them.

“You cannot have indefinite parking of government money at various ends because that itself not only leads to inefficiency, but also leads to impediment to growth,” he said, speaking at a function organized by the Controller General of Accounts (CGA) that manages the PFMS.

Jaitley's comment comes at a time when West Bengal chief minister Mamata Banerjee has opposed the centre's move to integrate state treasuries with the PFMS. The centre has asked states to integrate their treasuries with the PFMS so that it can track utilization of funds under centrally sponsored and central schemes on

a real-time basis and can release funds “just in time”.

Later, speaking to reporters, M.J. Joseph, the CGA, said the centre has again written a letter to the West Bengal finance secretary for his cooperation to reconsider the decision. “Nobody is forced to adopt it. It is being implemented keeping in mind the spirit of cooperative federalism,” he said.

Joseph said so far, nine states have integrated their treasuries with the PFMS and 15 more have shown interest in doing the same.

PFMS is a web-based software application which captures the complete spectrum of fund flow across different layers of government entities ranging from Union government to gram panchayats and individual beneficiaries.

Jaitley also launched a Web Responsive Pensioner's Service Portal, developed by the Central Pension Accounting Office, that will provide a one-stop solution for pensioners to access information relating to the status of pension cases, and pension payments processed by the central ministries/ departments and the banks.