



Finance Minister Pranab Mukherjee with finance ministers of different states at the National Conference of State Finance Ministers on 'Accrual Based Financial Reporting', in New Delhi on Tuesday. PHOTO: SANJAY K SHARMA

## FM for fool-proof govt accounting system

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AMID increasing demand for transparency in governance, Finance Minister Pranab Mukherjee called for a government accounting system that enables anyone to assess the performance of public service delivery.

"In this age of awareness and information revolution, an average citizen and a social activist want information to assess the financial health and performance of governments

in delivering public services and development schemes," he said at a Comptroller and Auditor General event, here.

Mukherjee, who is the chairman of the joint committee of government and civil society on drafting the contentious LokPal Bill, said there was scope for improving the content and quality of the existing accounting system.

"We have to keep it in mind that today it is not only Parliament and the government that require accounting information but there are other im-

portant stakeholders, including citizens, analysts, national and international institutions."

After conducting a few pilot studies, the government is in the process of introducing a new accounting system in a phased manner that would provide an effective way to track and assess assets created out of public money.

The Finance Minister said he had asked for a strong IT-based system for recording assets to strengthen existing disclosures under the Fiscal Responsibility and Budget Man-

agement Act. "We should focus on areas, which foster transparency, Parliamentary accountability and are of use to decision makers in the government."

The Comptroller and Auditor General of India (CAG) Vinod Rai proposed the formation of an apex body at the Finance Ministry to oversee the three-phase transition of the official accounting system from the traditional cash-based method to the accrual model that gives a more realistic picture of India's financial health.