

Office of the Comptroller and Auditor General of India

New Delhi

19th September 2025

State Governments making advances for greater efficiency in public financial management: CAG

Shri K. Sanjay Murthy addresses Conference of State Finance Secretaries

The annual Conference of State Finance Secretaries, convened by the Comptroller and Auditor General of India, was held here today. The Conference deliberated on strengthening the country's public financial management framework, with a focus on leveraging IT systems and digital platforms for effective governance, centrally sponsored schemes, dissemination of good practices in public finances, and enhancing accounting and auditing of State Public Sector Enterprises and Autonomous Bodies.

In his keynote address, the Comptroller and Auditor General of India stated that State Governments are making advances in the adoption of technology in bringing about greater efficiency in the public financial management framework. However, there is lots of **difference in the maturity level** of these digital applications. In some States, there are **concerns about the security and legality of e-vouchers, which should be resolved with the adoption of latest technologies.**

Another area which needs **top priority is integration of various IT applications like e-Procurement, WAMIS with IFMIS and other applications with robust data validation for better financial monitoring,** Shri K. Sanjay Murthy stated.

CAG further mentioned that we have **successfully conducted the remote audit of GST, Stamp and Registration, e-Procurement, Works Audit, DBT Schemes in some States.** Now, our target is to roll out this remote audit in all Departments across the country wherever Departments have digitised their data/records.

In addition, Shri K. Sanjay Murthy stated that CAG institution is also giving emphasis on Audit of Urban Local Governments (ULGs) including in areas such as **"ease of living"** with special focus on 100 cities with population greater than five lakhs

CAG also appreciated the efforts of States in mapping centrally sponsored schemes with Sustainable Development Goals.

CAG spoke about the digital initiatives and emphasised on end-to-end e-service delivery for 67 lakh pensioners and over 24 lakh GPF subscribers in 19 States. He noted that full digitisation of pension functions has already been completed in six States. Further, he noted that State Accountants General (A&E) offices from CAG are working with state government to strengthen capacity through district level engagements on grassroots level accounting issues. CAG also outlined initiatives taken by CAG for collaborative working with the state and Local governments in improving capacity of staff and to strengthen the Municipal Finances and the Audit of Urban Local Bodies.

CAG stated that as we move forward, the path to a **Viksit Bharat** rests on a strong foundation of fiscal governance, transparency, and accountability at every level—from our national institutions down to our local bodies. Our discussions here today have reinforced the critical importance of leveraging technology, reforming State financial management, and ensuring that our public funds deliver tangible value to every citizen.

Addressing the Conference, the Secretary (Expenditure), Ministry of Finance, Government of India, Shri Vumlunmang Vualnam observed that the issues deliberated upon were highly relevant for Governments at both the Union and State level. He noted that the initiatives like SNA SPARSH will enable better cash management and recommended that schemes like Special Assistance to States for Capital Investment (SASCI) will help the states in implementation of the IT related infrastructure like IFMS in the Public Finance.

While welcoming the delegates, Deputy CAG Shri Jayant Sinha stated that the forum of State Finance Secretaries serves as a platform to deliberate on robust Public Financial Management issues and draw upon good practices from the States as well as those of the Union Government. As part of recent initiatives taken, he highlighted rationalisation of the accounting of minerals receipts which would enable availability of fiscal data on mineral receipts for both the Union Government and State Governments in a transparent manner. He noted a very positive development that has been observed in the States and Union Governments is the strengthening of transparency in both the budgeting and accounting of receipts and expenditure.

On the occasion, the CAG of India released the *Publication on State Finances 2022-23*, a first of its kind. Unlike the annual Accounts and Audit reports of State Governments which are placed in State Legislatures, this Publication, captures inter-temporal and inter-State fiscal information over a ten-year period. It will serve as a valuable resource for policymakers and other stakeholders dealing with public finances of the country. To make this information more accessible, interactive data dashboards have also been developed, which have been made available on the CAG's website.

Approximately two hundred delegates from across the country participated in the Conference. These included senior officials from the Ministry of Finance, Government of India, Finance Secretaries of State Governments, representatives of the Reserve Bank of India, the Controller General of Accounts, Controller General of Defence Accounts, Member (Finance), Railways, along with the Accountants General from the CAG's audit and accounts offices in the States.



CAG Shri K. Sanjay Murthy, Expenditure Secretary Shri Vumlunmang Vualnam, and Deputy CAG Shri Jayant Sinha releasing Publication on State Finances at the Conference of State Finance Secretaries on 19.09.2025 in New Delhi



CAG Shri K. Sanjay Murthy addressing at the Conference of State Finance Secretaries on 19.09.2025 in New Delhi