

Public Financial Management System

Public Financial Management System (PFMS) initially started as a Plan scheme named CPSMS of the Planning Commission in 2008-09 as a pilot in four States of Madhya Pradesh, Bihar, Punjab and Mizoram for four Flagship schemes e.g. MGNREGS, NRHM, SSA and PMGSY. After the initial phase of establishing a network across Ministries/ Departments, it has been decided to undertake National rollout of CPSMS (PFMS) to link the financial networks of Central, State Governments and the agencies of State Governments. The scheme was included in 12th Plan initiative of Planning Commission and Ministry of Finance. The Ministry of Finance, Dept. of Expenditure OM No 49 (7) /PF- I/ 2014, dated 02.12.2014 directed CGA to proceed with Digitization of Govt., Accounts through PFMS.

The mandate given to PFMS by Cabinet decision is to provide:

- a) A financial management platform for all plan schemes, a database of all recipient agencies, integration with core banking solution of banks handling plan funds, integration with State Treasuries and efficient and effective tracking of fund flow to the lowest level of implementation for plan scheme of the Government;
- b) To provide information across all plan schemes/implementation agencies in the country on fund utilization leading to better monitoring, review and decision support system to enhance public accountability in the implementation of plan schemes and;
- c) To result in effectiveness and economy in Public Finance Management through better cash management for Government transparency in public expenditure and real-time information on resource availability and utilization across schemes. The roll-out will also result in improved programme administration and management, reduction of float in the system, direct payment to beneficiaries and greater transparency and accountability in the use of public funds. The proposed system will be an important tool for improving governance.

The Public Financial Management System (PFMS) is a web-based online software application developed and implemented by the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, Govt., of India. The PFMS started in 2009 with the objective of tracking funds released under all **Plan schemes** of Govt., of India, and **real time reporting** of expenditure at all levels of Programme implementation. Subsequently, the scope was enlarged to cover direct payment to beneficiaries under all Schemes. Gradually, it has been envisaged that digitization of accounts shall be achieved through PFMS and beginning with Pay & Accounts Offices payments, the Office of CGA, did further value addition by bringing in more financial activities of the Govt., of India in the ambit of PFMS.

PFMS User Interface of PRC, Srinagar

The screenshot displays the PFMS user interface. At the top, the header includes the logo of the Comptroller and Auditor General of India, the text 'Public Financial Management System-PFMS (Formerly CPMS)', and the user's name 'Shahida Wani'. The user's details are listed as: User Type: AGENCY00, Agency: Population Research Centre, University of Kashmir, Srinagar, Agency Unique Code: PRC015, and Financial Year: 2023-2024. A navigation menu on the left lists various modules such as Adhoc Reports, Home, Scholarship Management, User Manuals, TSA, My Account, Users, E-Payment, Health Module, Sanctions, Reports, My Details, Masters, My Schemes, EAT MIS Process, My Funds, Transfers, Advances, Expenditures, Bank, Misc. Deduction Filing, Utilisation Certificate, and Accounting System Integration. The main content area features a prominent red message box stating: 'Please verify your Email id and Mobile No. before 30th Nov 2023, otherwise, you will not be able to login on PFMS website. Please ignore, if already done.'

The primary function of PFMS is to facilitate sound Public Financial Management System for Govt., of India by establishing an efficient fund flow system as well as a payment cum accounting network. The PFMS provides various stakeholders with a **real time, reliable** and meaningful management information system and an effective decision support system, as part of the **Digital India initiative** of Govt., of India.

The Ministry of Health and Family Welfare (MoHFW), Govt., of India has around 18 Population Research Centres throughout India and all these PRCs are working on different centrally sponsored Programmes and Schemes. The funding of these schemes and programmes are done through PFMS only. This facilitates exchange of data regarding budget allocation and expenditure against the central transfer of funds for Centrally Sponsored Schemes of the Govt., of India.

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