

# PFM REFORMS THROUGH DIGITALIZATION IN INDIA

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# OUTLINE

- Current Scenario: PFMS Mandate
- Payment Process
- Receipts Management
- Stakeholder Integration
- Citizen Centric Approach & Pandemic Response
- Design Process and Advantages
- Road Ahead

# PFMS – MANDATE

## FMIS Role



- Budget Execution
- Treasury
- Cash Management
- Accounting
- Peripheral Functions

## Welfare Schemes Fund Tracking



- Implementing Agencies Linked
- Links with Sub-National Government Systems
- Banking Channel Linkage

## Cash Transfers



- Beneficiary Master Database
- Direct cash transfers using bank accounts / Unique ID number of citizens

## Just-in-Time Releases



- TSA extended to Implementing Agencies via central banker
- Cash assignments instead of cash transfers

# PAYMENTS & RECONCILIATION PROCESS – THROUGH THE YEARS



- Physical Invoices
- Cash / Cheque Payments
- Manual Bank Reconciliation

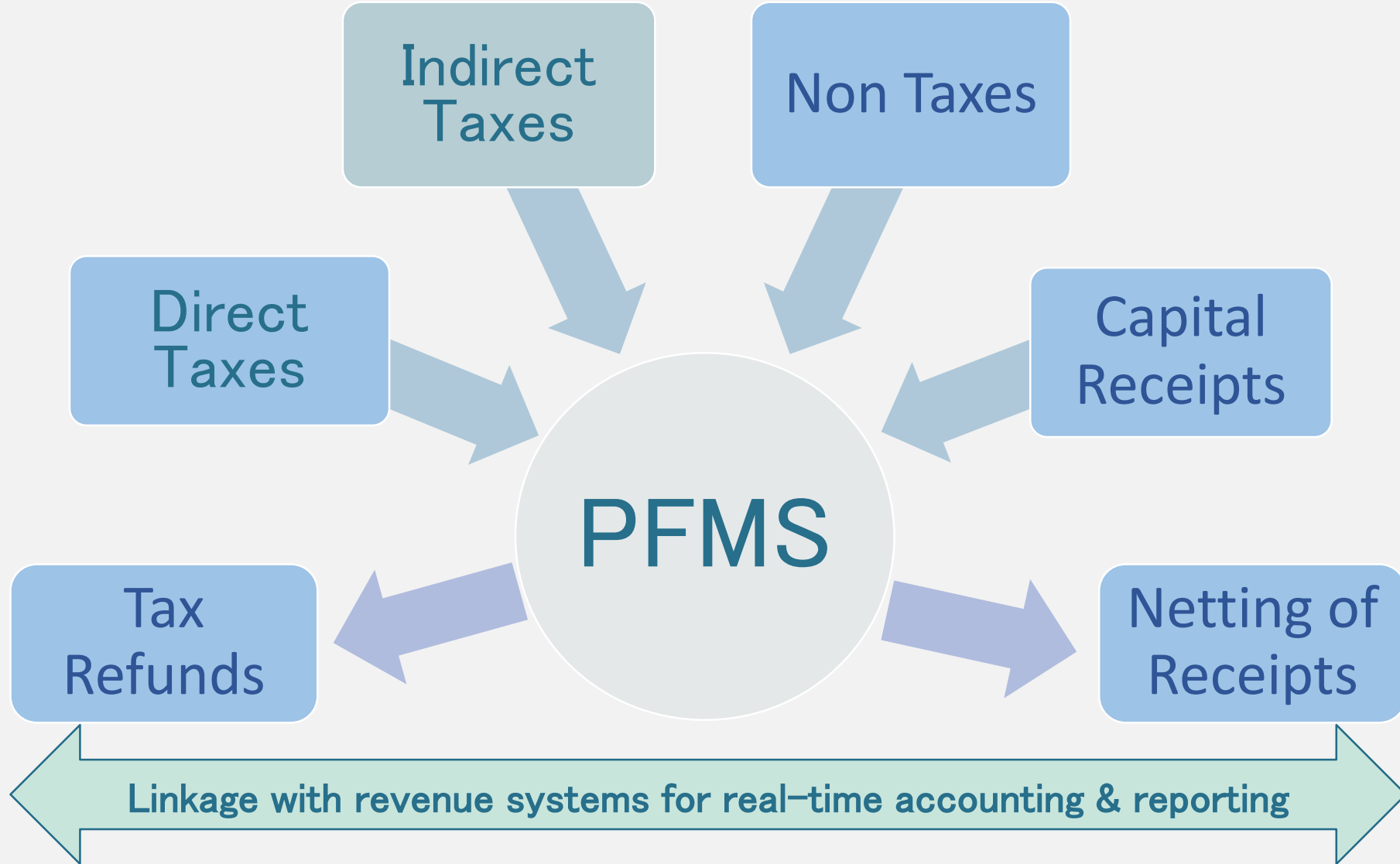
- Physical Invoices
- Electronic Payments
- Manual Bank Reconciliation

- Physical Invoices
- Electronic Payments
- Automatic Bank Reconciliation

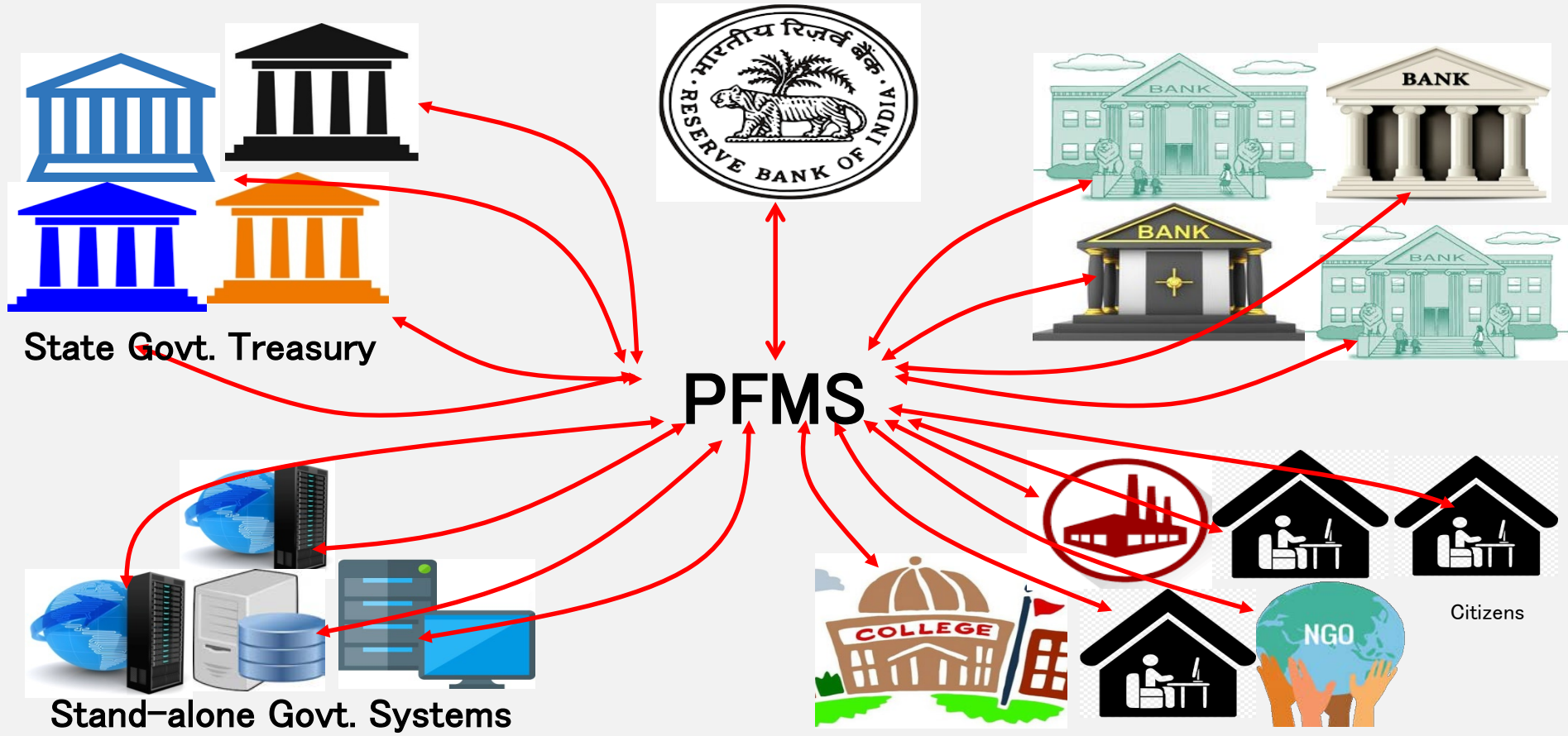
- Digital Invoices
- Electronic Payments
- Automatic Bank Reconciliation

Color Legend  
Manual ●  
Digitized ●

# RECEIPTS MANAGEMENT ON PFMS



# PFMS INTEGRATION WITH DIFFERENT STAKEHOLDERS



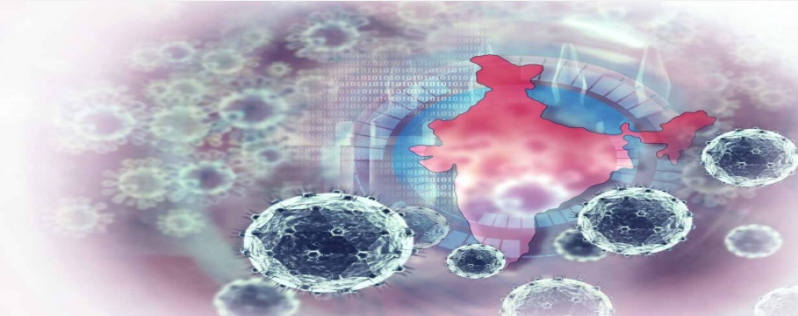
# CITIZEN CENTRIC APPROACH & PANDEMIC RESPONSE

## Citizen Orientation



- Several Citizen interfaces for service delivery & citizen grievances
- User friendly service trackers, notifications via portals and mobile apps
- Public domain availability of accounts for transparency

## COVID Response



- Cash Transfers for vulnerable citizens
- Vaccine procurement payments
- Frontline workers insurance
- Wage employment program payments
- Budget appropriations to healthcare sector

# DESIGN PROCESS AND ADVANTAGES

## System Design Process



- Vision & Mission Statement
- PFM area specification
- Stakeholder Consultations
- Design & Development
- Risk Mitigation & Challenges
- Change Management
- Capacity Building

## Advantages of Robust Process Design



- Real Time Reporting on Expenditure
- Real Time Reporting on All Types of Receipts
- Automated Reconciliation Protocols
- Automated Real Time Accounting Entries



# FUTURE ROADMAP FOR TECHNOLOGICAL HARNESSING

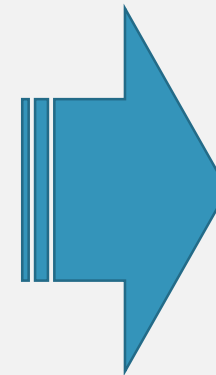
Prescriptive Data Analytics & Fraud Analytics

AI & ML algorithms combined with micro-services architecture

Gradual shift towards cloud computing

Enhancement of cyber security and information security protocols

End to end digitization of PFMS processes



Informed Fiscal Policies and Decision s

THANK YOU!

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