

## CAPA PSFM Committee and ICAI-CAPA Joint Roundtable Stakeholders' Meetings in New Delhi Put Profession in Global Focus: A Report



*In the backdrop of ever-increasing globalisation and proactive role of Indian accountancy professionals in the world business, one of the key areas of focus of the Institute of Chartered Accountants of Indian (ICAI) has been to not only boost and brighten Brand Indian CA on global pedestal but also have an effective say in global accounting platforms and standard setting processes. A number of MoUs have been signed with foreign accounting and related bodies of the world, in line with ICAI's special efforts to promote and export Indian Accountancy profession abroad consequent to the Government's selection of Accountancy and Financial services among 12 Champion Sectors of the country. In line with that spirit, the ICAI organised the Meeting of Public Sector Financial Management Committee (PSFMC) of Confederation of Asian & Pacific Accountants (CAPA) on 10<sup>th</sup> March 2019 at New Delhi. In conjunction to the CAPA PSFMC Meeting, and with an objective to sensitise all the relevant stakeholders from the public sector in India for moving towards more improved financial reporting, ICAI also organised the ICAI – CAPA Joint Roundtable Stakeholders' Meeting on Public Sector Financial Management on 11<sup>th</sup> March 2019 at New Delhi. The discussions were aimed to give a brief overview of Public Sector Financial Management in India and the role of the accountancy profession in improving financial management in the public sector. Shri Shashi Kant Sharma, Former Comptroller & Auditor General of India graced the occasion as Chief Guest. Following is the brief report of the events.*

## Welcome Address by ICAI President CA. Prafulla P Chhajed

The ICAI President, in his welcome remarks highlighted that ICAI, being a professional accounting body and partner in national building, is contributing in the direction of improved public

various initiatives undertaken by CAPA in the area of Public Sector Financial Management through its Committee on Public Sector Financial Management.

## Address by Chief Guest Mr. Shashi Kant Sharma, Former C&AG



Shri Shashi Kant Sharma, Former Comptroller and Auditor General of India and Chief Guest of the event highlighted the role of Chartered Accountants in making sure that public money is utilised in the right manner and the public trust is upheld. He further added “Earlier, India was not even among the 10 major economies but by the turn of the millennium it came amongst the top ten economies. Today, it is 6<sup>th</sup> largest economy and most projections show that it will be the 3<sup>rd</sup> largest economy in the

next decade. While welcoming this we must also be aware of challenges in financial management and this will need transparency and audit from the Accountancy professionals.”

finance and financial reporting in the Country both in the private sector as well as in the Government. While referring to the reforms in Indian Railways, he also elucidated the various initiatives that ICAI has taken through ICAI-ARF in the area of PSFM. He also assured of ICAI’s support in every endeavour of the Government of India for the reforms in this regard. The President also apprised the dignitaries of the 21<sup>st</sup> World Congress of Accountants to be hosted by ICAI in November 2022 in Mumbai, and invited them for the same.

While delivering the vote of thanks, CA. Atul Kumar Gupta, Vice-President, ICAI said “Accountancy professionals are fully geared to take up the challenges ahead as they have in the past. Our professionals are respected all over the world for their keen understanding of the profession and am sure we will come out with flying colours in the future too by doing our work with transparency and diligence.”

## Vote of Thanks by ICAI Vice President CA. Atul Kumar Gupta

## Address by Mr. Anwaruddin Chowdhury, Chair, Public Sector Financial Management Committee of CAPA

Mr. Anwaruddin Chowdhury, while thanking ICAI for hosting the event, highlighted the importance of public sector financial management and how this area plays a vital role in a development of an economy as a whole.

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## Address by Mr. Brian Blood, Chief Executive, CAPA

## Address by CA. Manoj Fadnis, President, CAPA

The CAPA president and Past President of the ICAI CA. Manoj Fadnis explained about the work program of CAPA in Public Sector Financial Management and enumerated the

Mr. Brian Blood, Chief Executive, CAPA enlightened the audiences on Improving Financial Management in the Public Sector by outlining the 8 Key Elements of PFM Success namely The Climate for Reform; Governance - The Legal and Institutional Framework; Governance - The Values System; Capacity and Capability; Fiscal and Policy Framework; Performance Management; Reporting & Scrutiny and Assurance.

## **Address by Mr. Harish Srivastav (ICAS), Joint Controller General of Accounts (CGA), Ministry of Finance, Department of Expenditure**

Mr. Harish Srivastav spoke on “*An Overview of Government Accounting in India*” wherein he explained about the Government Accounting in India. He said that although in India there are very comprehensive procedures and processes under cash basis of accounting, it has its own set of limitations too, such as comprehensive information on Assets and liabilities is absent and true cost of services are not recorded, etc. Thus, accounting reforms such as Multi-dimensional accounting classification system and transition to Accrual based (modified cash/accrual) accounting are the need of the hour.

## **Address by Mr. R. M. Johri (IAAS), Director General, Comptroller & Auditor General of India**

Mr. R. M. Johri briefed the audiences on “*Implementing Accrual Accounting in the Public Sector: Issues and Challenges*”. He told the audiences that GASAB was formed in 2002 to keep pace with the international trends in Public Sector reporting. He briefly touched upon the functioning of GASAB, process of formulating the Indian Government Accounting Standards by GASAB and its notification by the Government and the key issues and challenges in implementing Accrual Accounting in Government sector in India.

## **Address by Ms. Meenakshi Gupta (IAAS), Member Secretary, National Commission for Women**

“*Reforms in Budgetary Process by Government of India*” was effectively explained by Ms. Meenakshi Gupta. She apprised the audience of the Budgetary process of Government of India and the key reforms of the Government of India in the budgetary process in last few years. She also apprised the participants of the intentions of the Government to scrap the separate railway budget and its merger with the Union Budget and advancing the date of presentation of budget by one month to February 01.

## **Panel discussion: Public Sector Accounting Reforms in India and Internationally**

The event also included a Panel discussion on “*Public Sector Accounting Reforms in India and Internationally*” wherein national & international



experts involved in Public Sector Accounting Reforms briefed the audience about their experience of implementing reform process and highlighted the key issues & challenges. Mr. Tanuj Mathur, Senior Financial Management Specialist, World Bank briefly touched upon the donor’s perspective on public sector reforms. CA. Jayant Gokhale, Past Council Member, ICAI moderated the session. Other panelists were Mr. Naresh Salecha, Principal Executive Director (Finance), Ministry of Railways and Director (Finance), Dedicated Freight Corridor Corporation (DFCCIL) Mr. Brian Blood, Chief Executive, CAPA Mr. Alan Edwards, PSFMC member, and Chair, Chartered Institute of Public Finance and Accountancy (CIPFA) Development Ms. Jurgita Jurkuviene, International PSFM Expert.

The event was attended by over 60 participants. Apart from International speakers, other key attendees at the event included senior officials from CGA, C&AG, Ministry of Railways, Ministry of Finance, Department of Telecommunications, Ministry of Communications, Ministry of Housing and Urban Affairs, World Bank, Asian Development Bank, Department of Posts, and representatives from different Municipal Corporations of Delhi.

## **About CAPA**

CAPA is a regional organisation representing 32 national professional accountancy organisations (PAOs) operating in 23 jurisdictions in Asia and the Pacific regions. These PAOs, referred to as CAPA’s members, represent over 1.6 million accountants across the region. CAPA is one of the four regional organisations (ROs) recognised by the global accountancy profession, which is represented by the International Federation of Accountants (IFAC). ■