

## PRESS RELEASE

The **Hon'ble Chief Minister Thiru. M.K. Stalin**, has articulated the following lofty ideals for the DMK Government,

“Our Government is a Government for the people and specifically for the poor and downtrodden and everything that we undertake should benefit them. We must ensure that the benefits of schemes reach the intended beneficiaries.”

Accordingly, the **Hon'ble Minister for Finance and Human Resources Management, Dr. Palanivel Thiaga Rajan** had announced in the Budget Speech 2021-22 as below:

*“Multiple data points indicate that Government funds are often shifted to accounts outside the view of the Treasury system. Upon assuming office, this Government initiated a dual – track survey to identify such funds through Government department and agencies and by banks holding such accounts. The initial assessment reveals substantial unutilized funds. The Government will establish a special task group under the senior officer of the Finance Department to fully reconcile the accounts and*

*identify funds which have lapsed and which still be utilized.”*

Accordingly, a Special Task Force was constituted to reconcile, identify and access the funds of the Government Departments, Government run Societies, Statutory Institutions, Local Bodies kept outside the Treasury, within a particular timeframe.

The details of bank accounts wherein Government money was parked as on 31.03.2021 were collected from multiple sources like Banks, District Collectors, Government Departments and other quasi-Governmental entities. Further, the Special Task Force has conducted several meetings with Government Departments and State Level Bankers Committee so as to build a reliable database for the purpose.

The Special Task Force, has collected and collated information broadly under the categories of 'Available balances', 'Liabilities' and 'to be remitted into Government account', separately under each of the Closed Schemes, Ongoing Schemes and Receipts of the Department. By this process, from the data so far collected, the Special Task Force has tracked a sum of **Rs.1946.31 crore** that can be immediately remitted back to the Government Account.

The Committee has to continue its work with auditing the reported data, specifically under the categories of 'Available balances' and 'Liabilities' and reconciling the data collected

from the Heads of Department, District Collectors and the Banks. It is possible that further amounts of unutilised funds could also be identified for return to the Government treasury. For carrying out this task, the Special Task Force will be given an extension up to 31<sup>st</sup> March, 2022 and directed to undertake field based audit and reconciliation.

It is important to put in place a mechanism to prevent the recurrence of such instances of idle non-utilisation of funds in the future. Towards this end, the direct disbursal of funds from the Government treasury to the ultimate beneficiaries – pensioners, Government servants receiving salaries, Old Age pensioners, recipients of scholarships and of final payments for works and supply of goods and services through the Integrated Financial and Human Resources Management System (IFHRMS) - will ensure that there is no idling of funds of a substantial portion of the budget.

Some schemes will continue to be implemented through intermediate agencies of Government like companies, societies and local bodies. For such schemes, a State Level Public Financial Management System (PFMS) will be implemented in association with the agency banks. Under this system, the bank balances available with the agencies for scheme implementation, after drawal from the Government treasury, will be kept in line of sight of the Finance Department. The

further flow of funds will be tracked till they reach the final beneficiary. Further release of scheme funds from the Government treasury will be provided only after utilisation of funds previously released. In case funds are not utilised within the stipulated time period, they will be mopped up and returned to the Government.

The Economic Advisory Council to the Hon'ble Chief Minister has made several important recommendations which this Government has acted on. This includes the expansion of coverage under the Old Age Pension scheme, tackling the issue of learning loss amongst school students due to the COVID pandemic through The Illam Thedi Kalvi programme and special packages for MSME units.

The Council also strongly supported the initiatives of the Government of Tamil Nadu in Data Centric Governance and provided some good suggestion for further action. As part of the initiative, beneficiary linked data bases of large Government programmes such as the Public Distribution System and Old Age Pension scheme are being analysed by the Tamil Nadu e-Governance Agency. Data bases, such as the Civil Registration System that maintains records of births and deaths can enable new additions (to the families) and deletions (on deaths in the family) to be carried over directly to the family card data base. Such automatic inclusion and deletion will be an

important benefit offered to the people of the State and will result in cost efficiency and in effective programme implementation. For instance, such an approach would eliminate the possibility of deceased persons continuing to receive old age pensions and monthly allocation of rice in the Public Distribution System – instances of which we have discovered during the review over the past few months.

Similarly, analysis of crop loan and jewel loan data of co-operative banks has led to the unearthing of several irregularities. For instance, the same person has taken multiple loans from multiple societies for the same small piece of agricultural land. At some places jewel loans have been given without any jewels being pledged. All such issues will be effectively addressed by this new approach.

Under the able leadership of our Hon'ble Chief Minister, the Government will continue to strive to enhance efficiency and reduce waste and better target Government programmes by reducing inclusion and exclusion errors.

**Dr. Palanivel Thiaga Rajan**

Hon'ble Minister for Finance and  
Human Resources Management

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