

Comptroller and Auditor General of India (CAG)

Why in news?

The Comptroller and Auditor General of India (CAG) is one of the most important institutions of the country to ensure public accountability of the executive.

What is Comptroller and Auditor General?

| Feature | Description |
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| Constitutional body | Article 148 provides for an independent office of the CAG. |
| Financial administration | <ul style="list-style-type: none"> • CAG is the head of <i>Indian Audit and Accounts Department</i> • He/She is the <i>guardian of the public purse</i> and controls the entire financial system of the country at the Centre and the State level. |
| Appointment | <i>President</i> by a warrant under his hand and seal |
| Core Values | <ul style="list-style-type: none"> • Institutional values- Maintaining professional standards, objective and balanced approach, independence and transparency. • People values- Ethical behaviour, integrity, professional competence, fairness and social awareness |
| Tenure | 6 years or up to age of 65 years whichever is earlier |
| Resignation | CAG can resign any time from his office by addressing the resignation letter to <i>President</i> |
| Removal | <ul style="list-style-type: none"> • Same manner as <i>a judge of Supreme Court</i> • Can be removed by the <i>President</i> on the basis of a resolution passed to that effect by both the Houses of Parliament with <i>special majority</i>. • Reason for removal - Proved misbehaviour or incapacity |
| Reappointment | Not eligible for further office, either under the Government of India or of any State |
| Salary & service conditions | <ul style="list-style-type: none"> • Determined by Parliament. • Salary is equal to judge of Supreme Court. |
| Administrative expenses | <i>Charged upon Consolidated Fund of India (CFI)</i> |
| Success stories | <ul style="list-style-type: none"> • 2G spectrum scandal • Commonwealth games corruption scandal • Coal mine allocation scam etc., |

What are the challenges with CAG?

- **Centrally sponsored schemes**- It accounts for more than 1/10th of budget but most of them have not been audited by the CAG beyond 2018.
- **MGNREGA** - In 2013, CAG found that the scheme have neither alleviated rural

poverty nor created any durable assets but it has been left out of audit for over a decade.

- **Political interference**- Established convention is that CAG does not take part in public debates on contents of his reports, they are self-explanatory and compete with all evidences.
- But recently Union ministry has contradicted CAG's observations on government accounts and gave point wise replies to each observation.
- **Lack of transparency**- There is no proper selection criteria with respect to CAG appointment.
- The involvement of executive in the CAG's appointment is hugely problematic as he/she is supposed to audit the executive.
- **Overburdened**- It is very impractical for one individual to handle the audit mechanism of both the State and Central government as well as Public Service Units.
- **Mismanagement**- The office is allegedly holding up or delaying completed reports, alteration of approved audit plans, suspending filed audits midway which is done only in unusual situations like the pandemic.
- **Poor administration**- Transferring officers who have reportedly been involved in auditing sensitive government schemes impedes the public trust and confidence of the office.
- **Decline in reports**- The number of reports submitted by the CAG to Parliament has steeply declined over the years, thus questioning the political neutrality of the office.

CAG, Supreme Court, Election Commission and Union Public Service Commission were referred as the bulwarks of democratic system of government

What lies ahead?

- There should be a separate State auditor for each and every state and also specialized agencies which would maintain their accounts.
- As recommended by **Murali Manohar Joshi Committee**, a separate panel must be established to appoint the CAG.
- To obtain greater transparency, the suggestions of **Shungulu Panel** can be incorporated by advocating structural changes in CAG by making it a three-member body.

References

1. [Business Line- CAG could have done better](#)
2. [CAG- Vision mission and values](#)