Role of CAG

What is the issue?

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- The Corruption Perception Index released by Transparency International ranks India at a lowly 79 out of 176 countries.
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- As much of this corruption is linked to public funds, it calls for a relook at the role of the CAG (Comptroller and Auditor General).
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What is the reality?

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- India spends about 30% of its GDP on public procurement and hence the quantum of corruption associated with this is proportionately high.
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- Estimates reveal that 20-30% of the investments in public construction projects are lost to corruption.
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- In addition, the huge sum of leakages in government revenues worsens the financial picture.
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- The office of CAG was created as an independent status and authority to work against these financial misconducts in public office.
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- However, CAG is seen to be functioning short of its objective.
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What are the drawbacks in this regard?

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- CAG, over the years, has functioned as a routine auditor and has failed to

proactively expand its role to meet the emerging challenges.
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- **Control** - Though CAG reports are discussed by the public accounts committees of the respective legislatures, no one evaluates or questions what the CAG does.
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- As a result, its functions are largely confined to itself and is not known to meet with experts, professionals or institutions.
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- There is no Constitutional authority, including the judiciary, which is so secluded and unapproachable as the CAG is.
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- **Precedence** - It does not disseminate its policies or practices for the benefit of public servants and the general public.
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- The audit reports of CAG are short of issuing any guidelines, best practices or advisories that would restrict malpractices and set a precedent.
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- **Post-Mortem** - CAG could well be called the "Post-Mortem Authority of India as it looks primarily at what is demised.
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- Carrying on concurrent audit which is legally permissible could be a preventive and curative measure to at least restrict financial ineffectiveness.
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- Scams have been occurring with increasing frequency, but the CAG is able to expose only a few and that too with minimal consequences.
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- Ex: There are enormous cost overruns in public projects due to poor contract design coupled with corrupt practices.
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- **Limitation** - The growing interventions of the CAG, CBI, CVC and the unpredictability with their actions, at times result in bureaucrats preferring to avoid decision-making.
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- CAG reports is recent years seem to be going into sensationalism. Ex: the excessive numbers, of anticipated loss, put out by the CAG in the telecom spectrum and coal mine scams.
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- This seems to be distracting the CAG from an objective and judicious examination of matters with the requisite expertise and diligence.
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What is desired?

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- When the government is taking initiatives to curb corruption, black money, etc it is essential that public institutions like the CAG function for its purpose.
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- A reassessment of the role and responsibilities of the CAG towards this end is the need of the hour for India to fare better in global transparency indicators.
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Source: Business Standard

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