

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

### What are the challenges with CAG?

- **Centrally sponsored schemes**- It accounts for more than 1/10<sup>th</sup> 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](#)