



## Sambhav-2024

**Day 17 :** Analyse the role and functions of the Comptroller and Auditor General (CAG) in auditing the accounts and expenditures of the Government and its agencies. Evaluate the performance and challenges of CAG in India. (250 Words)

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### Approach / Explanation / Answer

- Introduce the answer by briefly defining the office of CAG and its significance.
- Discuss the role and functions of the CAG and evaluate the performance and challenges of the CAG.
- Conclude Suitably.

### Introduction

The Comptroller and Auditor General of India (CAG) is an independent constitutional authority that audits the accounts and expenditures of the Union and State governments and their agencies. The CAG also maintains the accounts of the State governments and certifies the net proceeds of any tax or duty. The CAG acts as an agent of the Parliament and ensures accountability and transparency in the use of public funds.

### Body

The role and functions of the CAG:

- The CAG audits the accounts related to all expenditures from the Consolidated Fund of India, the consolidated fund of each state, and the consolidated fund of each union territory having a Legislative Assembly.
- The CAG audits the accounts of any other authority when requested by the President or Governor. For example, local bodies.
- The CAG advises the President with regard to the prescription of the form as to how the records of the Centre and State shall be kept.
- The CAG submits his report relating to the Centre to the President, who then places it before both houses of Parliament.
- The CAG submits his report relating to State to the Governor, who then places them before the State Legislature.
- The CAG ascertains and certifies the net proceeds of any tax or duty, and his certificate is final on the matter.

## The performance and challenges of the CAG in India can be evaluated as follows:

- The CAG has been instrumental in exposing various irregularities and scams in the government's financial management and public service delivery.
  - For example, the 2G spectrum allocation scam, the coal block allocation scam, the Commonwealth Games scam, etc.
- The CAG has also made valuable recommendations to improve the efficiency and effectiveness of various government schemes and programmes.
  - For example, the CAG suggested measures to enhance the revenue collection, reduce the fiscal deficit, rationalise the subsidies, etc.
- **The CAG faces several challenges in the effective functioning of his office.** Some of these are:
  - The CAG does **not have adequate powers to audit the receipts**, stores, and stock of the government. He also **cannot audit the secret service expenditure of the government.**
  - The **CAG does not have sufficient autonomy and resources to conduct timely and comprehensive audits.** He depends on the government for his staff, budget, and infrastructure.
  - The CAG does **not have any direct role in enforcing the accountability of the executive.** He can only report his findings to the Parliament and the State Legislatures, but he cannot ensure that they are acted upon.
  - The **CAG faces resistance and criticism from the government and its agencies for his audit reports.** He is often accused of being biased, sensationalist, or exceeding his mandate.

## Conclusion

The CAG plays a vital role in auditing the accounts and expenditures of the government and its agencies. However, he also faces several challenges and constraints in carrying out his duties effectively and efficiently. The Indian CAG should possess comparable authority to the British CAG, which functions as both Comptroller and Auditor, unlike its Indian counterpart that solely assumes the role of an Auditor and not that of a Comptroller.

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