Role of CAG

What is the issue?

- The Corruption Perception Index released by Transparency International ranks India at a lowly 79 out of 176 countries.
- 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).

What is the reality?

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

What are the drawbacks in this regard?

- CAG, over the years, has functioned as a routine auditor and has failed to proactively expand its role to meet the emerging challenges.
• **Control** - Though CAG reports are discussed by the public accounts committees of the respective legislatures, no one evaluates or questions what the CAG does.

• As a result, its functions are largely confined to itself and is not known to meet with experts, professionals or institutions.

• There is no Constitutional authority, including the judiciary, which is so secluded and unapproachable as the CAG is.

• **Precedence** - It does not disseminate its policies or practices for the benefit of public servants and the general public.

• The audit reports of CAG are short of issuing any guidelines, best practices or advisories that would restrict malpractices and set a precedent.

• **Post-Mortem** - CAG could well be called the “Post-Mortem Authority of India as it looks primarily at what is demised.

• Carrying on concurrent audit which is legally permissible could be a preventive and curative measure to at least restrict financial ineffectiveness.

• Scams have been occurring with increasing frequency, but the CAG is able to expose only a few and that too with minimal consequences.

• Ex: There are enormous cost overruns in public projects due to poor contract design coupled with corrupt practices.

• **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.

• 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.

• This seems to be distracting the CAG from an objective and judicious examination of matters with the requisite expertise and diligence.


What is desired?
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.

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.

Source: Business Standard