

Comptroller and Auditor General of India

Introduction: Audit is the development of the 19th century and an indispensable part of the parliamentary control over public finance. As a result of this development an audit office has been set up in many democratic countries of the world. England was the pioneer for adopting this office. Historically speaking, in India the audit office emerged in 1919 with the adoption of Montford Reforms. The Auditor General was made independent of the Government of India, who was appointed by the Secretary for India held office during the pleasure of His Majesty's. Again the Government of India Act, 1935, further enhanced his status and importance. With the enactment of the Indian constitution in 1950, the Auditor General of India has been renamed as the Comptroller and Auditor General of India.

The Comptroller and Auditor General (CAG) of India is the head of the Audit and Accounts department which is a permanent constitutional body established under Article 148 of the Constitution. The main function of CAG is to audit accounts of government and to comment on wastefulness or extravagance of expenditure and technicality or legality of receipts of revenue.

Appointment: Article 148 of the Constitution lay down that the CAG shall be appointed by the President by a warrant under his hand and seal.

Term and other conditions of service:

- (a) The CAG of India hold office for a term of six years from the date on which he assumes such office, provided that where he attains the age of 65 years before the expiry of the said term of six (6) years, he shall vacate such office on the date on which he attains the said age and that he may, at any time, by writing under his hand addressed to the President, resign his office.
- (b) He can't be removed from his office except in like manner and on grounds as of a judge of SC. He can be removed from office only on grounds of proven misbehavior or incapacity after an address by both the Houses of Parliament supported by a two thirds majority. But such resolution is subjected to an inquiry made by committee of 3 members (SC judge, CJ of HC and eminent jurist).
- (c) The CAG is not eligible for further office either under Govt of India or any state after he ceases to hold office.
- (d) The administrative expenses of office of the CAG including salaries, pensions or allowances to him or persons working in that office shall be charged upon Consolidated Fund of India.

Duties and powers: Article 149-151 clearly deals with the duties and powers of the CAG. The Indian constitution says that the CAG shall perform such duties and exercise such powers in relation to the accounts of Union and of states and of any other authority as may be prescribed by any law made by the Parliament. So, in order to give effect to provisions of the constitution, the Parliament of India enacted a law known as CAG's (Duties, Powers and Conditions of Service) Act, 1971. The Duties and Powers of CAG are as follows:

(1) Audit functions: Art. 149 deals with the audit related duties and powers of the CAG. It shall be duty of the CAG-to audit all expenditure from Consolidated Fund of India and each state and of each UT having a Legislative assembly;

1. To audit all transactions of Unions and States relating to Contingency Funds and Public Accounts;
2. To audit all trading, manufacturing, profit and loss accounts and balance-sheets and other subsidiary accounts kept in any Department of the union or of a states.
3. To audit all receipt of Union and state and to satisfy himself that that the rules and procedures in that behalf are designed to secure an effective check on the assessment, collection and proper allocation of revenue.
4. To audit accounts of government companies (in pursuance of Companies Act) and all bodies or authorities substantially financed by Central or state government.
5. To audit accounts of corporations as prescribed by law of Parliament or State Legislature.
6. To audit account of any other authority or body when requested by President or Governor of State.
7. To audit grants in aid, loan, debt, advances, sinking funds, stock accounts and others of Union and state with consent of President or governor as case may be;

(2)Accounts functions: The CAG is responsible for maintaining and keeping the accounts of the Union and states. They include:

1. Article 150, it states that the accounts of Union and states shall be kept in such form as President may prescribe on advice of CAG.
2. Article 151, the CAG shall submit his reports related to accounts to President or Governor who shall cause them to be laid before each Houses of Parliament.
3. The CAG has power while performing his duties to inspect any office of accounts under control of Union or a state.
4. Article 279, he ascertains and certifies that net proceeds of tax or duty and his Certificate is final. Net proceeds means proceeds of a tax minus cost of collection.
5. The CAG act as a guide, friend of Public Accounts Committee of Parliament while scrutinizing the audit reports of CAG.

It is worthwhile to mention here that all these functions are performed by CAG with the help of Assistant Auditors-General at the centre and Accountants-General in the states.

Independence of the office of CAG: The constitution of India enshrined several provisions to secure the independence of the office of CAG. These are:

Firstly, though CAG is appointed by the President of India, he can be removed only on an address by both the Houses of Parliament on grounds of proved misbehaviour or incapacity.

Secondly, his salary and conditions of service are statutory cannot be varied to his disadvantage during his term of office.

Thirdly, he is disqualified for any further Government office under the government of India or of any state after retirement so that he may have no inducement to please the executive.

Fourthly, the salaries and other administrative expenses of his office are charged upon the Consolidated Fund of India and thus are non-votable by the Parliament.

Fifthly, his administrative powers and the conditions of service of persons serving in the Indian Audit and Accounts Department shall be prescribed by rules made by the President only after consulting him.

Lastly, for the discharge of his duties he is answerable to no other authority except to the Union Parliament.

Thus, the above points under Art 148 of the Indian constitution reveal that CAG possesses enormous powers that he exercises reflects the effectiveness of independence of his office. In fact, keeping in view the importance of the office of CAG, it is kept independent of the control of the executive.

Role of CAG: The CAG plays an important role as an agent of financial control especially in a Parliamentary form of government. While emphasizing the role of CAG, Dr. B.R.Ambedkar says, “*probably the most important officer in the constitution*”. His role may be discussed under the following points:

1. **Ensure Parliamentary control over finance:** In a Parliamentary democracy like India, Parliament is the ultimate authority which controls the finance of the country. Here the CAG act as an ‘extended arm’ of the parliament in controlling public expenditure. According to Durell, “CAG is the servant and agent of Parliament. Parliament only works only through him on the basis of his reports”. In controlling the expenditure, CAG is rightly regarded as the ‘guide, philosopher and friend of Parliament’.
2. **Guardian and watchdog of public finance:** The CAG is the head of the Indian Audit and Accounts Department. He is the guardian and watchdog of public finance as he has to see and check that not even a single paise is spent without the prior approval of the Parliament. This helps in checking the misuse of public funds. The CAG is the effective device in the hands of Parliament through which the executive is kept constantly accountable to the Parliament in money matters. Besides, he protects the Consolidated Fund of India and sees that no money is withdrawn without statutory authority.
3. **Role in preparation of annual financial statement:** It is the CAG who plays a vital role in the preparation of ‘general financial statement’ incorporating a summary of the accounts of the Union as well as all the states for the preceding financial year. The statement of accounts is submitted annually by the CAG to the President of India. Generally, on the basis of this statement the budget is prepared. The CAG provides information and assistance to the Union and states for their preparation of annual financial statement.
4. **Detecting and combating misappropriation:** The CAG plays an important role in detecting and combating corruption in our financial administration. It has been stated that the primary objective of CAG is to fix the accountability of the officers of the government for any illegal, improper or incorrect payments made resulting from any false, inaccurate or misleading certification made by them as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation fund involves. This reveals that in financial administration without audit it is not possible to detect misappropriation of public fund.
5. **Assisting the Public Account Committee (PAC):** Yet another significant role can be seen in assisting the PAC in its working in the Parliament. The Parliament control and checks public accounts through its committee on Public Accounts. But the PAC basically works on the CAG Report and recommendations submitted to the Parliament. The CAG help the PAC, if he is asked so.
6. **Economic reforms:** The role of CAG is also visible towards the improvements and reformation of our economic system. Many a times, the CAG in its reports pointed out instances of unproductive, extravagant and wasteful expenditure. He helps in introducing wisdom of expenditure in financial administration. The government of India initiated a number of steps to introduce economic reforms on the basis of recommendation of CAG.

Besides, the role of CAG is all pervading in financial administration. He strives to maintain co-relation among different financial agencies like Parliament, Executive and Auditor and Accounting. His role helps in bringing about progressive development in financial administration. Someone rightly described him as 'one of the four pillars of our constitution, that other three being the legislature, executive and judiciary'.
