

REPORTING IN PUBLIC INTEREST: VALUE AND IMPACT OF CAG'S AUDITS

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Reporting in Public Interest: Value and Impact of CAG's Audits

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The paper puts together a brief overview of some of the key concerns and possibilities with regard to the process of reporting by CAG. It reproduces some of the well-documented information about the institution of CAG and its practices for the sake of placing our arguments in context. Subsequently, the paper flags a number of issues that could be taken into account in the discourse on the process of reporting by CAG vis-à-vis the value and impact of its audits.

The office of the Comptroller and Auditor General (henceforth CAG) of India is the Supreme Audit Institution of the country, which has been assigned the Constitutional responsibility of auditing government receipts and expenditures and advising on the format in which government accounts have to be maintained. The primary responsibility of the CAG is to provide the legislators and through them, to the citizens of the country, independent assurance on the way the government has used and accounted for funds approved by Parliament / State Legislature as well as the functioning of the tax system in the country. The process of 'reporting' (of its findings and opinions) by the CAG of India, therefore, is meant to fulfil an important Constitutional requirement in our country.

However, the significance of this process should not necessarily be discussed exclusively within the framework of the Constitutional requirements given the vast potential it has for influencing the well-being of the general public in the country. The total quantum of government expenditure in the country in a year (i.e. the combined budgetary expenditure by Union Government and State Governments) has crossed Rs. 32 lakh crore in 2013-14 (Budget Estimates)¹, accounting for 28.2 percent of the country's GDP for the year. Of this, government expenditure that directly impacts socio-economic development (i.e. the expenditure recognised in government documents as 'developmental expenditure') has been estimated to be Rs. 17 lakh crore in the last financial year. This implies an average of Rs. 2656 crore of 'developmental expenditure' by the government per district. Since a major part of the findings and opinions being reported by the CAG for the financial year 2013-14 would focus on how this substantial amount of government expenditure was carried out, not only peoples' elected representatives in Parliament and State Legislatures but common people across the country too should pay attention to what these findings and opinions are.

Growing concerns pertaining to both misappropriation of funds through corruption and sub-optimal utilisation of budgetary resources across a number of sectors / government programmes have led non-government organisations, social activists, policy researchers and

¹ Ministry of Finance (2014)

media to raise questions on the quality of public expenditure in the country. The Union and State Governments too have acknowledged these concerns explicitly over the last decade, as manifested in the enactment of the *Right to Information* legislation, initiative pertaining to *Outcome Budgeting*, inception of the *Central Plan Scheme Monitoring System* and the recent decision to discontinue the practice of Union Budget resources for some of the ‘flagship’ Central schemes bypassing the Treasury system, among others.

Moreover, a large part of the government expenditure in India gets financed by taxes paid by common people across the country; India’s total tax revenue in 2013-14 (BE) is estimated to be 17.9 percent of GDP, and as much as 66.5 percent of it would have come from Indirect Taxes². Hence, the process of reporting of CAG’s findings and opinions about the financial transactions of the government should ideally be designed and carried out in a way that it not only fulfils the Constitutional mandate for the CAG but it also responds effectively to other possibilities of enhancing public welfare in the country.

With this understanding, the present paper puts together a brief overview of some of the key concerns and possibilities with regard to the process of reporting by CAG. The paper reproduces some of the well-documented information about the institution of CAG and its practices for the purpose of placing our arguments in context. Subsequently, it flags a number of issues that could be taken into account in the discourse on the process of reporting by CAG vis-à-vis the value and impact of its audits; these are based on review of relevant existing resources and interviews of 25 stakeholders drawn from various fields viz. legislators, former govt. officials, policy analysts, journalists, social activists, and also former CAG officials (please see the *Annexure*).

Section I. The Institution of CAG of India: Some Relevant Features

Organisational Set Up

The institution of CAG of India discharges its manifold responsibilities through the Indian Audit & Accounts Department (IA & AD). As of February 2014, the Department consists of 47,270 employees and is functionally organised into 133 specialised formations throughout the country. The office of the CAG, which is at the apex of the IA & AD, directs, monitors and controls all activities connected with audit, accounts and entitlement functions of the Department. It is responsible for the development of organisational objectives and policies,

² Ibid.

audit standards and systems, management of the human and material resources of the Department, and final processing and approval of the Audit Reports.

Offices of the Accountants General (Audit) are responsible for audit of all receipts and expenditures of the State Governments and audit of State Government companies, corporations and autonomous bodies. Offices of the Principal Directors of Audit are responsible for audit of the transactions of the Union Government, including Civil Ministries and Departments, Overseas Establishments, Defence, Indian Railways, Central Public Sector Undertakings and Posts and Telecommunications.

The preparation of Union Government accounts is carried out by the *Controller General of Accounts (CGA)*, which is a part of the Ministry of Finance in the Union Government. However, at the State level, the IA&AD performs functions of compilation of the Accounts of the State Governments, which is a peculiarity in the Indian case, through its Accounts & Entitlements offices.

Types of Audit and Audit Reports

Audit by the CAG is broadly classified into three streams, viz. Financial Audit, Regularity (Compliance) Audit and Performance Audit. *Financial audit* is a process of looking at financial statements to establish whether acceptable accounting standards for financial reporting and disclosures are complied with or not. *Compliance audit* is meant primarily to ascertain whether the expenditures reported by the government were as per the legislative authorization through the Budget or not and whether the expenditures incurred were in conformity with relevant laws, rules and regulations. *Performance audit*, however, is meant to see whether government programmes have achieved the desired objectives efficiently and effectively and at the lowest cost and whether its benefits are reaching the intended beneficiaries or not.

The number of organisations and entities that fall under the purview of audit by the CAG of India is very large. This includes all Union and State Government Ministries / Departments and offices including the Indian Railways and Posts and Telecommunications etc. Further, it also includes the public commercial enterprises owned or controlled by the Union and State Governments (numbering about 1200) and around 400 non-commercial autonomous bodies and authorities. In addition to these, over 4400 authorities and bodies substantially financed by the Union or State Governments are also within the ambit of the audit by CAG. With the

introduction of the third tier of governance in the pursuance of the 73rd and 74th Constitutional amendments, audit of the local bodies or providing technical guidance has also come under the purview of the CAG.

Accordingly, the office of CAG has been producing a large number of audit reports every year.

- Union Audit Reports:

The Union Audit Reports of the CAG of India contain the findings of compliance audit and performance audit in the areas of: Civil Audit (for the Civil Ministries / Departments), Audit of Autonomous Bodies, Defence Services, Railways, Receipts of the Government, Central Commercial Audits and Other Audit Reports.

- State Audit Reports:

These include the Finance Accounts and Appropriation Accounts for the States, Audit Reports (Civil), Audit Reports (Commercial) and Other Audit Reports.

- The office of CAG has also been producing Local Government Audit Reports.

Section II: Reporting of the Audit Findings

The CAG of India has been following a well-structured process of drafting its reports and sharing those with the legislature, which is defined through various guidelines and instructions. In the Indian context, an audit cycle is normally carried out within 10 months or so and reporting of the audit findings by the CAG constitutes the third stage of the cycle. The first stage is planning of the audit, execution of the audit plan is the second stage, and reporting is the third and final stage of the audit cycle.

The process of reporting of the CAG's audit findings involves thorough and systematic steps, which have been clearly documented in its Performance Auditing Guidelines. The key requirement is that on the completion of each audit assignment, the Auditor should prepare a written report setting out the audit observations and conclusions in an appropriate form; its content should be easy to understand, free from ambiguity and supported by sufficient, competent and relevant audit evidence and be independent, objective, fair, complete, accurate, constructive and concise.

In contrast to compliance audits, performance audits deal with a wider range of issues and are perceived to be more open to judgment and interpretation; also, the coverage of performance audits is more selective. With regard to performance audits, the reporting

process being followed in India requires, among other things, that the report should include a description of the scope and coverage of audit, objective of audit, area of audit, main findings in respect of the efficiency, economy and effectiveness (including impact) aspects of the area (subject matter), which was audited and recommendations suggesting the improvements that are needed.

With regard to performance audits, a draft audit report has to be prepared upon conclusion of the audit of the controlling unit of the entity and all field units selected for audit. The main purpose of the preparation of the draft audit report is to seek formal response of the head of the entity / agency chosen for audit. As per the PA guidelines of the CAG of India, written response to the draft audit report should be sought from the entity / agency under the scrutiny of such audit; the guidelines suggest that the attempt should be to get the audited entity to respond directly to each recommendation of the audit paras / inspection notes so that those could be incorporated into the final audit reports. It has also been stressed in the PA guidelines that a performance audit should be concluded with an exit conference with the head of the audited entity / agency.

After incorporating responses from the head of the audited entity and suggestions / feedback from the office of CAG, the draft report is finalised. Following the Constitutional requirements, the reports of the CAG of India relating to the Union Government are submitted to the President of India, who in turn ensures that those are laid before each house of Parliament. Likewise, the accounts and audit reports of the CAG of India relating to a State Government are submitted to the Governor of the State, who ensures that those are presented before the State Legislature.

Section III: Concerns and Possibilities with regard to Reporting of the Audit Findings

(i) Concerns relating to the Number of Audit Reports

There have been concerns relating to the growing volume and content of the audit reports. It has been observed that “for various reasons, audit reports have grown both in volume and content” over time (Lakshminarayanan, 2010). The office of CAG has been producing hundreds of audit reports, statements of accounts and inspection reports every year. For instance, in the year 2010-11 alone, the CAG presented 221 reports of performance audits to Parliament / State Legislatures (Peer Review Report, 2012).

An important perception in this context is that due to the large number of the audit reports, the Public Accounts Committees (PACs) are sometimes unable to use those effectively; they select only a few observations and paragraphs from the audit reports for seeking evidence in person and ask the executive to furnish written replies for other points within a certain timeframe. Moreover, even the selected audit paragraphs are not fully discussed due to lack of time and infrequent meetings of the Committees (Laxminarayanan, 2010). Thus, the number of reports brought out by the CAG being very high could be one of the reasons for the inability of the Parliamentary / Legislative Committees to take up all reports for discussion and follow up action.

However, we also need to take into account in this context the view that the staff supporting the Parliamentary / Legislative Committees, who read the audit reports and support the members of the Committees in comprehending the relevant points made in the reports, might not have adequate capacity to perform their roles effectively. Hence, there also needs to be some effort towards enhancing the capacity of these officials.

*Snapshots of Responses of Select Stakeholders**

CAG should produce a lesser number of Reports than what it does at present.

(ii) Concerns relating to the Content of Audit Reports and Accounts

One of the views in the context of the 'relevance' of CAG's accounts documents (i.e. Finance Accounts and Appropriation Accounts) for the general public is that some effort is required for synchronizing their presentation with the budget statements of the government. The presentation of information in the Finance Accounts and Appropriation Accounts should be reviewed to make those more reader-friendly and comprehensible so that the general public could easily understand the findings and opinions being shared by the CAG. The main concern in this context is that the general public would not be able to understand the way information is presented in these important documents. For instance, in the popular discourse on public policy and public expenditure in the country, a lot of attention is being paid to the development programmes / schemes (e.g. *Sarva Shiksha Abhiyan, National Rural Health Mission, Integrated Child Development Services, MGNREGA* etc.). But the Finance and Appropriation Accounts for the State Governments do not enable any meaningful assessment

* Please see the Annexure for a compilation of the *Perceptions of Stakeholders* based on interviews of selected respondents conducted by CBGA over the period from 8th to 30th of September 2014.

of expenditures across these programmes / schemes, since the presentation of information is based primarily around 'budget heads' (i.e. Major Heads, Sub-Major Heads and Minor Heads) which are hardly used in popular discourse. Hence, the office of CAG could consider addressing this gap in order to enhance the 'usability' of its accounts documents among general public. Further, for the lay audience, comprehending the reported cases of excess of expenditures or savings by a particular government department or programme would be meaningless, unless it is linked to its impact on the objectives of the programme / institution concerned.

As regards the audit reports, the office of CAG could adopt a practice of bringing out a brief 'non-technical' document for the lay audience along with every performance audit report. There is also a need for reporting some of the good practices found in the course of auditing, which would not only encourage the staff of the audited entity to continue such practices further, it could also encourage the adoption of such practices by other non-audited entities as well. In this context, the Peer Review Report (2012) has noted that the CAG of India, in large measures, has been following an approach of balanced reporting both in content and tone. However, the said report also noted that "more regular inclusion of programme outcomes and positive findings would contribute to the balanced presentation of audit reports".

Snapshots of Responses of Select Stakeholders

- CAG should make its reports more user-friendly; some reports are too long and cumbersome to read.
- The Combined Finance and Revenue Accounts (CFRA) is a very useful document; however, the information in CFRA should be made better comparable to budget allocations.
- More analytical reports should be brought out by CAG with a comparative analysis of sectors.
- CAG's reports for individual states, and other sources of data and information has been found to be useful. The performance audit reports of public enterprises have also been found to be useful.

(iii) Timely Availability of CAG's Reports in Public Domain

It is perceived that public engagement in the process of deepening of democracy could be strengthened if the information required for such engagement is made available in a timely manner. However, over the years, it has been found that CAG's reports are not made available

in the public domain in a timely manner because of enormous delay in their presentation in Parliament or State Assemblies. In some cases, the delay in submission of audit reports in the State Assemblies has been to the extent of a couple of years. It may be noted here that the final reports of the CAG are made available to the public only when they are laid on the floor of Parliament or State Legislature.

(iv) Availability of the Reports on the Website of CAG

There is a concern relating to the way the reports are made available on the website of the CAG. The IMF’s Manual on Fiscal Transparency (MFT), 2007 notes that the audit reports should be published within at least one year of the end of the period it covers (IMF, 2007). However, the OECD considers the best practice is to publish the Audit Report within six months after the end of the budget year (Ramkumar et. al, 2010). In India, the audit reports, which are uploaded on the website of the CAG (once these are laid in Parliament / State Legislature), do not carry the date of their submission (either the date of submission by the CAG or the date of the report being laid in Parliament / State Legislature). However, the public should also get to know when these reports were placed in Parliament / State Legislature.

Snapshots of Responses of Select Stakeholders

- The website of CAG could be better organized and made more user-friendly.
- They should have a section on FAQs in their website.
- The website needs improvement. Often appendices go missing. And, long scrolling lists are difficult.

Given that the website of CAG is the only place where all audit reports and accounts documents are placed for the general public, a lot more attention could be given to make the website more user-friendly and popular.

An Assessment of the Popularity of the Website of CAG (www.cag.gov.in):
Based on traffic metrics by *www.alexa.com* (as on 26.09.2014)

Global Rank of Website based on the Volume of Traffic			The website of Alexa (<i>alexa.com</i>) ranks all websites in the world (i.e. the millions of websites that are functional) based on the volume of traffic attracted by the websites on any given date, which is based on a crude / basic assessment only. But its results provide useful pointers and
Website of	Link	Global Rank of the Website based on the volume of traffic it gets (as on 26.09.2014)	

Reserve Bank of India	rbi.org.in	6,508	<p>appear very logical (for instance, <i>google.com</i> has been topping this global ranking of website traffic).</p> <p>Though the Table here depicts the Global Raking for one specific date in September 2014, the status of these eight websites has been similar to what is depicted here over the last six months.</p> <p>As per the assessment shown here, the website of RBI, for eg., attracts a lot more traffic than that of CAG of India. Given that the website of CAG is the only place where all audit reports and accounts documents are placed for the general public, a lot more attention could be given to make the website more user-friendly and popular.</p>
Website of Union Budget of India	indiabudget.nic.in	67,037	
Census of India	censusindia.gov.in	85,774	
Min. of Finance, Gol	finmin.nic.in	98,016	
Office of CAG of India	cag.gov.in	1,18,767	
Planning Commission	planningcommission.nic.in	1,19,331	
Min. of Rural Development, Gol	rural.nic.in	2,70,121	
Finance Commission of India	fincomindia.nic.in	28,49,031	
Source: www.alex.com			

(v) Dissemination Strategies / Communication Policy of CAG

In order to meet the growing demand for better information and awareness among the general public about government's performance, effective communication of the audit findings is crucial. The findings and opinions provided in the audit reports, as per the conventional process, are expected to reach the public through their representatives in Parliament and State Legislatures. However, in practice, the general public in the country is getting to know about audit reports mainly through media coverage of the same. Also, it has been observed by a number of stakeholders that media reports tend to sensationalize audit reports or use audit reports selectively.

Hence, a strong perception of many stakeholders is that the CAG needs to explore more popular modes of communication and the reports should be actively made available to the public in a more reader-friendly / attractive format. Some basic dissemination strategies, like sending out the hard copies of the Union audit reports to the Libraries of all universities across the country and those of State audit reports to the Libraries of universities in the State, could also be considered. Moreover, AGs and audit officials could also be encouraged to interact with academia and policy researchers a lot more, which could be a process of mutual learning and sharing of relevant information.

Snapshots of Responses of Select Stakeholders

- Unfortunately, Legislature does not make much use of CAG reports; it only uses it when scandals come up.
- There should be open sittings of the PAC. Public hearings should be allowed. This would make public more vigilant.
- In the interest of public accountability, the CAG needs to have more popular communication and reports should be actively made available to the public in a more attractive format.
- The CAG should create a better database of their findings, better visualization with more explanatory notes.

Snapshots of Responses of Select Stakeholders

- Media tends to sensationalize the CAG reports.
- Reports should be publicized more and discussed in public before and after they are released.
- CAG reports should be made available as priced booklets for the public; this would make people attach more 'value' to the audit reports.

(vi) CAG's Engagement with the Public

In recent years, the office of CAG has engaged with various stakeholders, including the public, in determining the scope of the audit and the issues / sectors / entities to be audited, by seeking their inputs and conducting conferences etc. For instance, in July 2009, the office of CAG had organized a stakeholders' conference on environment audit to identify significant areas for enquiry pertaining to major environmental issues in India; experts from civil society organizations, representatives of the relevant government ministries and representatives of corporate bodies were part of it. Further, in March 2010, a two-day International Conference on Environment Audit-Concerns about Water Pollution was also organized by the office of CAG where representatives from government agencies, various international and regulatory bodies and civil society were involved. Following the said Conference, the office of CAG sought suggestions from the public regarding water pollution problems faced by them. Over 500 responses were received (as emails and letters) by the office of CAG, which helped them in framing audit objectives, sub-objectives and questionnaire for the performance audit on water pollution, which was carried out subsequently in 2010-11 (Mathur, 2013).

In this context, it is important to note that such a process of continuous engagement of the office of the CAG with the public, through various means (as was done in case of the audit on water pollution), would not only help the auditors in identifying the most relevant issues for

audit and frame appropriate audit questions, it could also create public awareness on the sector / issues concerned. This would also help in popularizing the audit reports among the general public and make them more vigilant. Hence, the office of CAG could think of replicating similar exercises of public engagement across a range of government programmes and schemes in the coming years.

Snapshots of Responses of Select Stakeholders

- Often they (the office of CAG) only do desk reviews; they do not solicit public opinion.
- There should be an open forum for queries on the CAG website.

(vii) Follow-up Efforts after the Presentation of Audit Reports

In the PA guidelines, it has been mentioned that the AG is required to maintain a database (preferably in electronic format) of audit recommendations made and periodically follow up with the head of the audited entity and the government to ensure compliance and timely corrective action. The purpose of the follow up activities is to identify how well the audited entity has implemented the changes that have been recommended in the audit reports.

It may be noted here that section 23 of the DPC Act, 1971³ authorizes CAG of India to make regulations to conduct audits; and, there are regulations which require the government to take corrective action (if any irregularity has been found) within six weeks of receiving the draft audit paragraphs and then inform the audit institution about it (CAG, 2007: 71). Further, each head of department is required to make an annual public statement (in the first quarter of each year) regarding pending audit observations relating to their department and such a statement should include information pertaining to the actions taken by the department on audit observations on major financial irregularities reported by the auditors (ibid: 69-70). In India, however, there have been serious concerns relating to the lack of adequate efforts from the executive to comply with the audit observations and weak follow up in terms of corrective actions based on the audit / PAC's observations and recommendations, which has led to a dilution of the impact of CAG's audits.

Another consequence of the inadequacy of corrective actions within the executive has been that a substantial amount of time and other resources of the CAG gets 'wasted' in pointing out similar gaps and omissions over the years.

³ The Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971.

Snapshots of Responses of Select Stakeholders

- There is tremendous potential in the CAG which is untapped.
- Legislators have failed in taking action on reports of the CAG and calling to account the executive. There needs to be stricter compliance in actions following audit reports.
- Popular dissemination through PAC is limited, after audit paras departments take a long time to submit action taken notes. Mostly there is undue delay and by the time decisions are taken, it becomes a futile exercise.

In this context, the office of CAG could also pay greater attention to the need for reporting on the responses furnished by the executive on audit / PAC's observations and recommendations. However, this step alone would not be adequate in the absence of some of the fundamental improvements that are needed in the functioning of the PAC in India, such as strengthening of the capacity of staff who support the PAC, reviewing the procedures of functioning of the PAC and making the PAC discussions public. In fact, it is worth emphasizing here that "the ultimate impact of the CAG's work depends on the keenness of the legislature to participate and engage with the findings and recommendations of audit reports, fix responsibility and take punitive action" (Asher et. al., 2011).

Concluding Remarks

This paper flags the following concerns and possibilities with regard to reporting by the office of CAG of India, which could be taken into consideration for enhancing its positive impact on the welfare of public in general.

(1) Accessibility and Outreach of the CAG Reports and Accounts

- One of the reasons for the inability of the Parliamentary / Legislative Committees to take up all audit reports for discussion and follow up action seems to be the large number of reports being produced by the CAG every year. However, the officials, who read the audit reports and support the members of the Parliamentary / Legislative Committees in comprehending the relevant points made in the reports, might not have adequate capacity to perform their roles effectively; hence, there is also a need for efforts towards enhancing the capacity of these officials.
- Given that the website of CAG is the only place where all audit reports and accounts documents are placed for the general public, a lot more attention could be given to make the website more user-friendly and popular.

- The office of CAG needs to explore more popular modes of communication and its reports should be actively made available to the public in a more reader-friendly format.
- Some basic dissemination strategies, like sending out the hard copies of the Union audit reports to the Libraries of all universities across the country and those of State audit reports to the Libraries of universities in the State, could also be considered.

(2) Value of the CAG Reports and Accounts for the Public Discourse

- In the context of the ‘relevance’ of CAG’s accounts documents (viz. Finance Accounts and Appropriation Accounts) for the general public, some effort is required for synchronizing their presentation with the budget statements of the government. Also, the presentation of information in the Finance Accounts and Appropriation Accounts should be reviewed to make those more reader-friendly and comprehensible so that the general public could easily understand the findings and opinions being shared by the CAG.
- As regards the audit reports, the office of CAG could adopt a practice of bringing out a brief ‘non-technical’ document for the lay audience along with every performance audit report.
- It is perceived that public engagement in the process of deepening of democracy could be strengthened if the information required for such engagement is made available in a timely manner. However, over the years, it has been found that CAG’s reports are not made available in the public domain in a timely manner because of enormous delay in their presentation in Parliament or State Assemblies.

(3) CAG’s Engagement with the Public

- A process of continuous engagement of the office of the CAG with the public, through various means (as was done in case of the audit on water pollution), can not only help the auditors in identifying the most relevant issues for audit and frame appropriate audit questions, it can also create public awareness on the issues concerned. This could also help in popularizing the audit reports among the public and make them more vigilant.
- The AGs and audit officials could also be encouraged to increase the frequency of their interactions with academia and policy researchers in a process of mutual learning and sharing of relevant information.

(4) Impact of CAG’s Audits

- There is a need for reporting some of the good practices found in the course of auditing (especially in performance audits), which would not only encourage the staff of the audited

entity to continue such practices further, it can also encourage the adoption of such practices by other non-audited entities as well.

- The office of CAG could also pay greater attention to the need for reporting on the responses furnished by the executive on audit / PAC's observations and recommendations.
- We cannot ignore the need for some fundamental improvements that are required in the functioning of the PACs in India, such as strengthening of the capacity of staff who support the PACs, reviewing the procedures of functioning of the PACs and making the PAC discussions public.

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Annexure

Perceptions of Stakeholders: Based on Interviews of Select Respondents by CBGA

(Interviews of 25 stakeholders drawn from various fields - conducted by CBGA during 8th to 30th of September 2014)

	<i>1. How familiar are you with CAG's reports? Do you find them comprehensible?</i>	<i>2. What is the source from which you usually obtain / come to know about the CAG reports?</i>	<i>3. Do you refer to CAG reports in your work often? Please indicate the manner in which you use CAG reports.</i>	<i>4. Do you perceive that the CAG reports have a bearing upon the policy environment in the country? Please elucidate.</i>	<i>5. How well is the accountability of the 'executive' being enforced on the basis of CAG reports?</i>
Former Government Officials	<ul style="list-style-type: none"> • Quite Familiar with CAG reports. • They are accessible and comprehensible only to people in government services. • “The conclusions and analysis in some of the reports have not been transparent and credible.” – shared one respondent. 	<ul style="list-style-type: none"> • Govt. sources, Media and the CAG Website. • Reports should be publicized more and discussed in public before and after they are released. • “CAG reports should be made available as priced booklets for the public.”- shared one respondent. 	<ul style="list-style-type: none"> • While serving the Govt. had occasions to refer to the CAG reports. • Use them when reviewing some programmes and policy options. 	<ul style="list-style-type: none"> • No, it's primarily a Constitutional procedure. • Often they (the office of CAG) only do desk reviews. • They (the office of CAG) do not solicit public opinion. • “They maintain a form of secrecy, even more than the executive whom they try to evaluate and assess.” – shared one respondent. 	<ul style="list-style-type: none"> • The executive has become totally immune to CAG reports. Over 80 percent of AG reports are not acted upon. This is because the Govt. and the executive head do not act on critical comments made on its performance. • CAG reports do not bring the executive to task purely on their own.

	<i>1. How familiar are you with CAG's reports? Do you find them comprehensible?</i>	<i>2. What is the source from which you usually obtain / come to know about the CAG reports?</i>	<i>3. Do you refer to CAG reports in your work often? Please indicate the manner in which you use CAG reports.</i>	<i>4. Do you perceive that the CAG reports have a bearing upon the policy environment in the country? Please elucidate.</i>	<i>5. How well is the accountability of the 'executive' being enforced on the basis of CAG reports?</i>
Social Activists	<ul style="list-style-type: none"> • Familiar but only to a limited extent. • There is tremendous potential in the CAG, which is untapped. • Reports are comprehensible yet many aspects are left out of CAG's investigation. • Not much. Usually, the Executive Summary of CAG report is read. 	<ul style="list-style-type: none"> • Through the media and the website of CAG. • They should have a section on FAQs on their website. • There should be an open forum for queries on the CAG website. 	<ul style="list-style-type: none"> • Refer to the reports as and when needed to carry out studies and for advocacy related work. • Used wherever relevant as CAG critiques the Govt. in an objective manner. • Some stakeholders have used CAG reports extensively in their work and they would continue to do so. 	<ul style="list-style-type: none"> • No, only if reports are acted upon seriously, then policy changes can happen. • There should be strong links between audit reports and implementation bodies. • No, CAG reports have to be disseminated to the public. • Yes, to some extent it does have some bearing since it not only looks at financial probity but also appropriateness of spending. • Not much, since they are not much publicized. • Also, not much discussion takes place in the legislature. 	<ul style="list-style-type: none"> • Unless remedial action is taken after the report is out, not much can be achieved. • In the interest of public accountability, the CAG needs to have more popular communication and reports should be actively made available to the public in a more attractive format. • The executive generally knows that it can always escape. Investigations beyond the Audit do not take place, and if at all it does, the lowest employees are made the scapegoats.

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				<ul style="list-style-type: none"> • CAG's report has a direct bearing upon the policy environment since it clearly indicates the success and failure of the Government in implementing their welfare programmes. Additionally, it throws light on areas which need immediate attention from the implementing authorities. 	
Policy Analysts	<ul style="list-style-type: none"> • They are comprehensible (if one is familiar with budget documents) and useful. • Some specific performance audit reports have had many flaws. • In recent years, the public perception of the CAG is that of a 'formidable institution'. 	<ul style="list-style-type: none"> • Media. This is perhaps inevitable but not very satisfactory as the media tend to sensationalize the CAG reports. • The website, but it could be better organized and made more user-friendly. 	<ul style="list-style-type: none"> • Major use is for research and writing papers. • The CFRA is a very useful document; however, the information in CFRAs should be made better comparable to budget allocations. • Certain financial indicators 	<ul style="list-style-type: none"> • Unfortunately, they are not used in an effective manner either by legislators and their committees or even civil society and media. • They do have a bearing in terms of preventing bad practices as opposed to encouraging good practices. 	<ul style="list-style-type: none"> • Their use for making the executive accountable is very weak. • Legislators have failed in taking action on reports of the CAG and calling to account the executive. There needs to be stricter compliance in actions following audit reports. • Only partially. There is scope for improvement. For example, The CAG

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	<p>However, there is a need to move the debate from day to day functioning of CAG to tracing audits to the line ministries. More needs to be done at the level of pre and post audit process.</p> <ul style="list-style-type: none"> • It is not CAG's job to simplify reports. Their Reports are very effective; however, that link in the chain is missing which would bridge the CAG with the public. • The CAG should create a better database of their findings, better visualization with more explanatory notes. 		<p>provided by the CAG's reports for individual states, and other sources of data and information has been found to be useful. The performance audit reports of public enterprises have also been found to be useful.</p>	<ul style="list-style-type: none"> • There has not been much effect on the policy environment, except for the 'big ticket' CAG reports which make headlines. 	<p>office is yet to find a good method for doing a 'value for money' audit, or satisfactorily linking expenditure with output and outcome. Also, a clever executive can easily beat the mechanical checks of the CAG.</p> <ul style="list-style-type: none"> • The CAG should have the mandate to audit all Societies and off-budget items.

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	<ul style="list-style-type: none"> There should be a way to link social audit findings with CAG audits. 				
Journalists	<ul style="list-style-type: none"> Quite familiar and they are comprehensible. 	<ul style="list-style-type: none"> Website of CAG, Parliament / State Assembly, Press conferences. The website needs improvement. Often appendices go missing. And long scrolling lists are difficult. 	<ul style="list-style-type: none"> While writing articles, the CAG reports are quoted and they are also used to substantiate points. 	<ul style="list-style-type: none"> Yes, it has influenced the policy environment especially in the recent past. 	<ul style="list-style-type: none"> CAG reports have become routine for the government (executive). They just go through the motions of giving them access to records, responding to their draft reports etc. This can be seen from the fact that successive reports point out similar types of transgressions, across verticals. CAG does not actually point out who is accountable but just mentions irregularities.
Legislators	<ul style="list-style-type: none"> Very familiar with CAG reports. Popular dissemination through PAC is limited, after audit paras departments take a long time to 	<ul style="list-style-type: none"> Through govt. sources / Parliament / State Legislature. Through CAG website. 	<ul style="list-style-type: none"> Have used CAG reports, for instance, for assessing performance of revenue / tax dept. 	<ul style="list-style-type: none"> The PAC makes a lot of recommendations which the govt. takes note of. It is critical in shaping the policy environment of the country. 	<ul style="list-style-type: none"> Substantial tax generation has been done on the basis of CAG reports. However, there is a lot of repetition. Its utility can be substantially improved if the final

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	<p>submit action taken notes. Mostly there is undue delay and by the time decisions are taken, it becomes a futile exercise.</p> <ul style="list-style-type: none"> • CAG reports are precise, comprehensive and easy to understand. 		<ul style="list-style-type: none"> • Very often. CAG reports are available for every issue, no matter how significant or trivial. However, sometimes, the reports are found to be outdated in a contemporary context due to the dynamic nature of events. • The CAG website search engine could be fine-tuned and made more in-sync to display relevant, useful results. 		<p>Action Taken Report is taken into consideration.</p> <ul style="list-style-type: none"> • There should be open sittings of the PAC. Public hearings should be allowed. This would make public more vigilant. • More analytical reports should be brought out with a comparative analysis of sectors. • Unfortunately, Legislature does not make as much use of CAG reports; it only uses it when scandals come up. • CAG reports are impartial, unbiased and largely based on findings of surveys / checks. They often form the basis for taking action by the Legislature and thus play a significant role in holding the executive accountable.

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Former CAG Officials	<ul style="list-style-type: none"> • CAG should make its reports more user-friendly. Some reports are too long and cumbersome to read. • The peculiarity in the Indian system, i.e. the AG offices at the State level being involved with both audits and accounts management of the State Governments, can be exploited to enhance transparency in government finances in the country significantly. 	<ul style="list-style-type: none"> • Yes, on the revenue side there has been an impact on the policy environment such as in the case of income tax, sales tax etc. • Audit paras also have a bearing on the policy environment. 	<ul style="list-style-type: none"> • The PAC hardly discusses accounts, which it should. • The audit and executive have an inherent adversarial role. • CAG should produce one-tenth of the Reports that it does at present.

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