

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2490

ANSWERED ON:07.12.2012

PROPOSAL FOR MULTI MEMBER CAG

Gowda Shri D.B. Chandre;Owaisi Shri Asaduddin;Shekhar Shri Neeraj;Singh Shri Yashvir

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Government proposes to constitute a multi-member Comptroller and Auditor General (C&AG) of India;
- (b) if so, the details thereof and reasons therefor;
- (c) the recommendations made by Shunglu Committee and views expressed by C&AG thereon; and
- (d) the stand taken by Government on multi-member C&AG along with reasons therefor and its present status thereof?

**Answer**

MINISTER OF STATE IN THE (SHRI NAMO NARAIN MEENA) MINISTRY OF FINANCE

(a) No decision has been taken by the Government.

(b) Does not arise.

(c)(i) Chairman, High Level Committee (HLC) for Commonwealth Games, Shri V.K. Shunglu had addressed a letter to PM on 29-03-2011 suggesting certain measures for changes in CAG as under:-

(1) For C&AG organization, he has suggested that a three member body would obtain greater transparency in its operation. One member should possess professional accounting qualifications, CA or its transnational equivalent. This should not seem to exclude an IAAS officer from the triumvirate, who has wide exposure to Finance, Audit and Accounts and best International practices in these areas.

(2) Annual Audit Plan should be discussed by CAG with the Public Accounts Committee. The discussion should stop short of endorsement in the interest of Audit autonomy.

(3) CAG accounts should be audited by a professional Auditor appointed by the Public Accounts Committee.

(4) Report of CAG should be provided to Departmental Standing Committees and there should be adequate opportunity to discuss issues primarily the concern of the Department

(c)(ii) The point-wise views of C&AG on the above suggestions are briefly as under:-

(1) CAG, under the present Constitution is a unitary authority in the federal structure of the country. He is the singular head of a hierarchical audit authority. The CAG of India is assisted by multi-member collegium of five Deputy Comptroller and Auditor General (Dy. CAG) who scrutinize and finalise the audit reports before these are approved and signed by the CAG. Government has agreed to the CAG's proposal as recently as in 2008 for five Deputy CAG's, so as to ensure that the Department is adequately equipped and professionally qualified to handle the diverse range of audit issues needing in depth consideration and examination.

(2) Article 151 of the Constitution vests the powers of audit in relation to accounts (including the accounts of the Office of the CAG and his Department) with the CAG. Entrustment of audit of the CAG's accounts to any other authority would be ultravires of this provision.

(3) The Constitution does not provide for an oversighting role for the PAC on the CAG's audit planning. Autonomy and independence of the CAG in the preparation of the annual audit plan is critical to his ability to faithfully discharge his Constitutional mandate.

(4) Once the Audit Reports of the CAG are laid on the tables of the Houses of Parliament, these are available in the public domain. It is the prerogative of the Departmental Standing Committees of Parliament to take note of and/or discuss the CAG's Audit Reports.

(d) The Government has not taken any decision on the above suggestion.