लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

PERFORMANCE
REPORT
2020-21

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भारतीय लेखापरीक्षा एवं लेखा विभाग
Indian Audit and Accounts Department

FROM THE DESK OF

Comptroller and Auditor General of India

I am pleased to present the Performance Report of the Indian Audit and Accounts Department (IA&AD) for the year 2020-21 which is one in a series of reports prepared by the Department annually. The report apprises all our stake holders of the significant activities of the Department.

IA&AD is the Supreme Audit Institution of India and functions in accordance with the authority and mandate given to the Comptroller and Auditor General of India under the Constitution of India and laws made by the Legislature. Apart from its audit functions, Accounting and Entitlement functions for the majority of the States are also vested with IA&AD.

This year we were compelled to contend with the challenges posed by COVID-19 pandemic. We adjusted our workforce and functioning style through multiple initiatives such as use of eOffice application for processing office files, providing VPN licenses for remote access to eOffice application, making Accounts and Entitlement applications (like VLC, Pension, Gazetted Entitlement) accessible remotely and extensive use of virtual meeting platforms to facilitate video conferences, conduct of online trainings, and holding live events/webinars that

helped in working from remote locations to contain the spread of COVID-19. Consequently, we were able to make substantial progress on our strategic priorities, despite the far reaching impact of COVID-19 on our people and work programmes.

Our focus on interaction with domain experts and stakeholders continued during this year as well. We initiated three All India Performance Audits namely- Ayushman Bharat-Pradhan Mantri Jan Aarogya Yojana, PM Kisan Samman Nidhi Yojana and Deen Dayal Upadhyay Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana. We presented numerous Audit Reports to the Parliament, including Reports on National Pension System, Manpower and Logistics Management in Delhi Police, Assessments of Co-operative Societies and Co-operative Banks, Search and Seizure Assessments in Income Tax Department, Merchandise Exports from India Scheme and Service Exports from India Scheme, Assessment and Utilisation of Locomotives & Production and Maintenance of Linke Hofmann Busch (LHB) Coaches in Indian Railways, Construction of toilets in schools by Central Public Sector Enterprises.

In States, Outcome audits on Higher Education, Surface Irrigation and District Hospital etc. continued during this year as well. Our audit reports on environmental topics presented in various State Legislatures *viz.* Preservation of water bodies, Development and popularisation of Renewable Energy, Working of Forest and Wildlife Preservation Department, Sewage Management, Management of Municipal Solid Waste in Select Urban Bodies, Functioning of Directorate of Mines and Geology etc., are examples of our commitment to enhance environmental governance as well as sustainable development.

We prepared 123 Audit Reports for presentation in the Parliament and State Legislatures during the year, of which 18 were for tabling in Parliament and 105 in State Legislatures. A total of 20 Audit Reports were tabled in Parliament and 89 in State Legislatures during 2020-21. The magnitude of the impact of IA&AD through its work can be easily judged by the fact that our reports included 1,748 audit recommendations, of which 711 have already been accepted.

Improvement in auditing methodologies and professional practices is a continuous process. This year, we revised the Regulations on Audit and Accounts 2007 and replaced them with Regulations on Audit and Accounts (Amendments) 2020. The latest regulations included a renewed focus on auditing in an IT environment and auditing with IT tools; access to electronic data and related systems.

Our achievements reflect the dedicated work of our employees who tirelessly work towards meeting the goals of this organisation. We have invested significantly in their professional development by

according high priority to capacity building. This year also, we continued our endeavour to progress towards improving our audit practices and methodologies to ensure that they are consistent with international best practices. Various training programmes were held under the aegis of our department to benefit both our employees and stakeholders. Our International Training Centres at Noida and Jaipur provide quality training in IT and environment areas respectively, for both international and national participants. Six International Training Programmes (including four online) for 337 international participants were conducted in these Centres.

We have been proactively participating in international forums and in the activities of International Organization of Supreme Audit Institutions and Asian Organization of Supreme Audit Institutions. Our appointment as the Chair of the United Nations Panel of External Auditors in the year 2020 continued for the year 2021 as well. We were also accorded responsibility of auditing international bodies like the Food and Agriculture Organization of the United Nations (2020-2025), World Health Organization (2020-2023) and Inter Parliamentary Union (2020-2022). Our appointment is the recognition of our standing among the international community as well as our professionalism, high standards, global audit experience and strong national credentials.

I hope this Performance Report will prove useful to our stakeholders, including legislators, executives, academia and members of the public, in having an overall view of the functioning and activities of the Department. I thank all our stakeholders for their cooperation and contribution.

(Girish Chandra Murmu)
Comptroller & Auditor General of India

25 February, 2022

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PREFACE

About this Performance Report

The Constitution of India has entrusted the Comptroller and Auditor General of India (CAG) with the responsibility of audit of accounts of the Union and States and other entities. CAG is the Supreme Audit Institution (SAI) of India and is expected to promote financial accountability and transparency in the affairs of the audited entities.

This report aims to meet the accountability requirements by reporting on the extent to which SAI India has discharged its duties with regard to its audit mandate and required reporting. It also brings out regularity and efficiency in the use of SAI resources, as also the impact of our audit.

This report seeks to create awareness and understanding about the CAG and the Indian Audit and Accounts Department's role and functions, as also to inform our clients and stakeholders, both internal and external, about our key results and achievements. It simultaneously aims to share information about innovations within our organization.
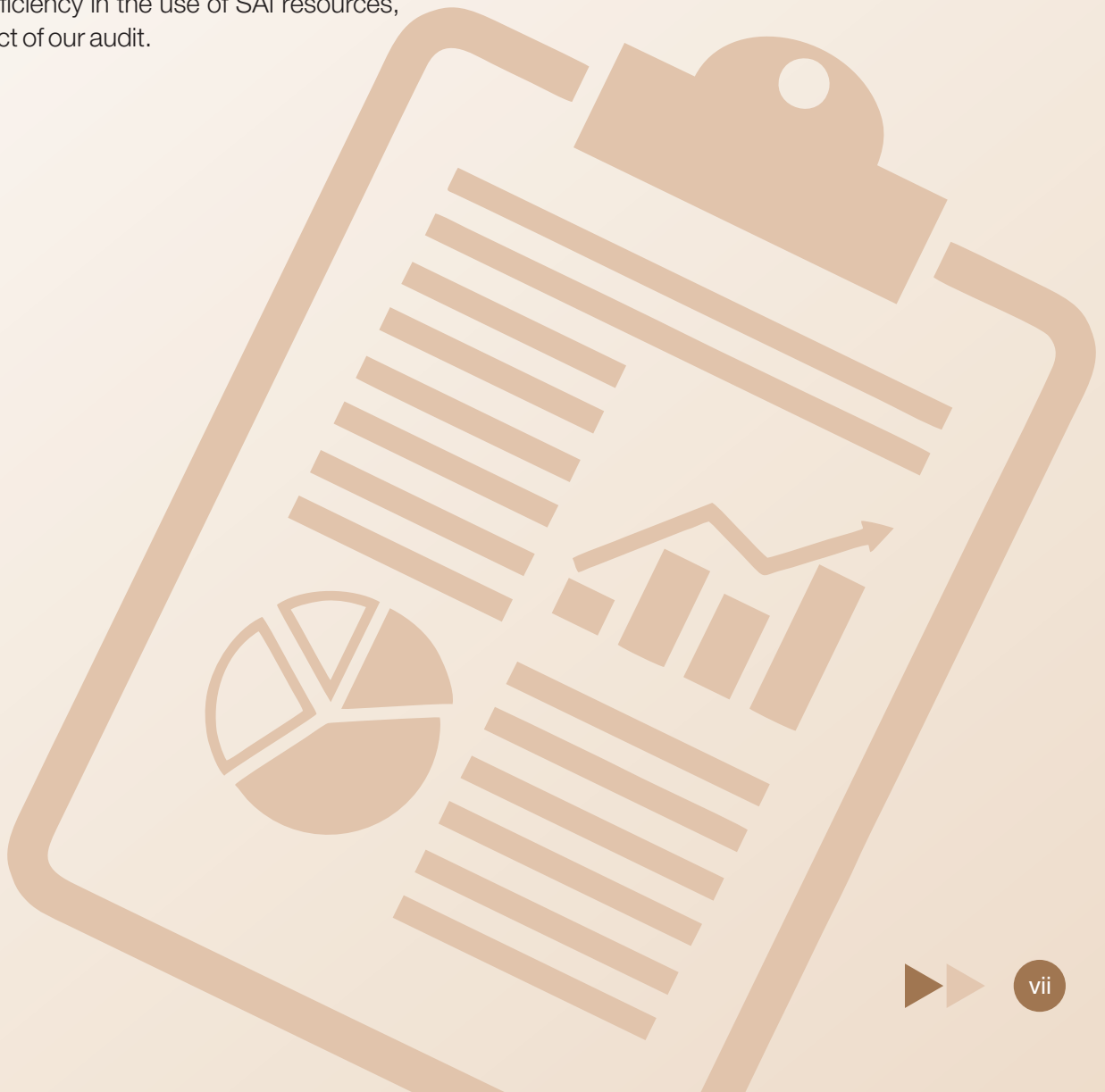
CHAPTER 1

About the Comptroller & Auditor General of India and the Indian Audit and Accounts Department

1.1 About us

The Comptroller & Auditor General of India (CAG) and the Indian Audit and Accounts Department (IA&AD) functioning under him constitute a unified audit mechanism in the federal set up under the Constitution of India. In the Constitutional scheme of checks and balances in a Parliamentary democracy, this mechanism is designed to ensure accountability of the executive to the legislature. Audit is an indispensable part of a regulatory system, the aim of which is to ascertain compliance with the accepted standards of prudent management of public finances. Senior functionaries of Supreme Audit Institution (SAI) of India, representing the CAG in the States, are called Principal Accountants General/Accountants General.

The Parliament/State Legislatures approve the annual budgets, as well as supplementary appropriations and authorize the Government to collect taxes. There are financial rules to ensure standards of propriety, regularity and probity in managing public funds. Government Departments and other public bodies are expected to follow these rules and adhere to the framework prescribed therein, when they receive and spend public money.

The spending Departments are accountable to the Parliament and State Legislatures for both the quantity as well as the quality of expenditure incurred by them.

Articles 148 to 151 of the Constitution of India prescribe a unique role for the CAG in assisting the Parliament in enforcing the legislative accountability of the Government Departments. CAG audits the accounts of both, the Union and State Governments, and also compiles the accounts of the State Governments.

The role of CAG assumes greater significance in view of our federal multiparty democracy, wherein both the Union and State Governments are responsible for the formulation and implementation of a large number of schemes involving substantial public resources. There has been a paradigm shift in Government delivery system using the Direct Benefit Transfer (DBT) scheme which was started by Government of India with the aim of re-engineering the existing process in welfare schemes for simpler and faster flow of information/funds and to ensure accurate targeting of the beneficiaries, de-duplication and reduction of fraud. The civil society has also emerged as a major stakeholder in the audit process.

1.2 Our Vision, Mission and Core Values

VISION

Our Vision represents what we aspire to become: We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

MISSION

Our Mission enunciates our current role and describes what we are doing today: Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders, the Legislature, the Executive and the Public, that public funds are being used efficiently and for the intended purposes.

CORE VALUES

Our Core Values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance: Independence, Objectivity, Integrity, Reliability, Professional Excellence, Transparency and Positive Approach.

1.3 Independence of SAI

The Constitution of India provides for independence of the CAG from the executive branch of the Government of India and the States. Articles 149 and 150 provide for the CAG's duties and powers. Article 151 prescribes that audit reports relating to the Union and the State Governments are to be submitted to the President of India/ Governor of the State, to be placed before the Parliament or State Legislatures. CAG is an independent Constitutional authority who is neither part of the Executive, nor of the Legislature.

The Constitution enables independent and unbiased audit by the CAG by providing for:

- Appointment of the CAG by the President of India;

- Special procedure for removal of the CAG, as applicable to a judge of the Supreme Court;

- Salary and expenses of the CAG not being subject to vote of Parliament; and

- Making the CAG ineligible to hold any other Government office after completion of the term.

The Constitution further provides that the conditions of service of persons serving in the IA&AD and the administrative powers of the CAG shall be such as may be prescribed by rules made by the President, after consultation with the CAG.

1.4 Our Accounts Mandate[1]

The CAG's (Duties, Powers and Conditions of Service) Act, 1971 (CAG's DPC Act 1971) promulgated in exercise of powers conferred by the Constitution of India, provides for compilation of accounts of the State governments by the CAG. Besides compiling the accounts, the CAG is responsible for preparing and submitting the accounts to the President, Governors of States and Administrators of Union Territories (UTs) having Legislative Assemblies. He may also give information and render assistance, related to preparation of the accounts. CAG compiles accounts of the State Governments from the subsidiary accounts submitted by treasuries and other officers of the State Governments. We raise an alarm if monies are being drawn in excess of authorization. We actively monitor expenditure patterns and issue advice on excesses, surrenders and lapses of funds.

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[1]*Sections 10, 11, & 12 of CAG's DPC Act 1971*

1.5 Our Audit Mandate

1.5.1 CAG's DPC Act

The audit mandate of the CAG is defined in the CAG's DPC Act, 1971 and certain other laws enacted by the Parliament. CAG has the mandate to audit and report upon:

- All receipts and expenditure from the Consolidated Fund of the Union and the State Governments;

- All financial transactions in emergencies, outside the normal budget (called the Contingency Fund);

- Inflows and outflows of private monies of the public held by the Government as a trustee or banker (called Public Accounts), at the Central, as well as at the State levels;

- All trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts kept in any Government Department;

- All stores and stock accounts of all Government offices and Departments;

- Accounts of all Government companies and any other company as defined in the Companies Act 2013;

- Accounts of all Regulatory Bodies and other statutory authorities / corporations, where the governing laws provide for their audit by the CAG;

- Accounts of all autonomous bodies and authorities substantially financed by the public exchequer;

- Accounts of a body or authority whose audit is specifically entrusted to CAG, in public interest, by the President/ Governor /Lt. Governor, under enabling provisions of the CAG's DPC Act, 1971.

The following special responsibilities have also been entrusted to the CAG:

- On the recommendations of successive Central Finance Commissions, the States have entrusted, under provisions of the CAG's DPC Act, the role of providing Technical Guidance and Support (TGS) to the Local Fund Audit Wings of State Governments, who are the Primary Auditor of Local Bodies (LBs). The components of TGS include inter alia support and handholding of Primary Auditors for setting of auditing standards, audit planning, adoption of improved audit methodologies and capacity building. In addition, utilisation of funds received as grants-in-aid from Central/State Governments and implementation of Central/ State Schemes by LBs are also audited. Further, all receipts and expenditure of those LBs are audited which are either substantially financed from the Consolidated Fund of India/ States or where such audit has been entrusted by the State Governments.

- Conducting a review of the performance of the Union Government in meeting its obligations under the Fiscal Responsibility and Budget Management Act.

- Certifying the net proceeds of Central taxes/duties, which are shareable with the States.

1.5.2 Mandate through judicial pronouncements

CAG has the authority to audit the accounts of even a private company, not normally within the audit mandate of the CAG, if the company has been allowed the commercial use of scarce natural resources under the terms of license, which require the company to share a part of the revenue so generated with the government. This authority was upheld by the Hon'ble Supreme Court of India in its judgment dated 17 April 2014 pertaining to the companies providing telecom services.

1.6 Our Powers

1.6.1 Powers to Audit

In carrying out the above mentioned duties, CAG has powers[2] to:

- inspect any office or organization subject to his audit;

- call for any records, papers, documents from any audited entity;

- decide the extent and manner of audit;

- examine all transactions and question the executive; and

- dispense with, when circumstances so warrant, any part of detailed audit of any accounts or class of transactions and to apply such limited check in relation to such accounts or transactions as he may determine.

1.6.2 Powers of Delegation

CAG can delegate his powers, under the provisions of the CAG's DPC Act 1971 or any other law, to any officer of his Department, with the exception that, unless the CAG is absent on leave or otherwise, no officer can submit an audit report to the President or the Governor on his behalf.

1.6.3 Powers to make regulations

CAG can make regulations for carrying into effect the provisions of the CAG's DPC Act, 1971, in so far as they relate to the scope and extent of audit, including laying down, for the guidance of Government Departments, the general principles of Government accounting and the broad principles in regard to audit of receipts and expenditure.

In view of significant developments in the environment wherein public auditors operate such as governance paradigm, changes in government priorities, extensive deployment of IT tools in service delivery and data environment of the government, new form of institutional set ups, judicial interpretation of the CAG's mandate, scope and applicability of public audit provisions etc., the 'Regulations on Audit and Accounts' issued in 2007 under the above mentioned powers were reviewed and have been substituted by Regulations on Audit and Accounts (Amendments) 2020.

1.6.4 Powers to make rules

The Union Government is authorised, after consultation with the CAG, to frame rules, for maintenance of accounts by the Union and State Government Departments, including the manner in which initial and subsidiary accounts are to be kept by the treasuries, offices and departments rendering accounts to audit and accounts offices.

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[2]*Sections 18,21,22,23, & 24 of CAG's DPC Act 1971*

1.7 We conduct different types of Audit

CAG's powers extend to the scope, extent, methodology and approach to be adopted in conducting any audit. We conduct Financial Audit, Compliance Audit and Performance Audit or any combination of these types of audits, in accordance with our mandate, standards and guidelines framed by the CAG in this regard.

1.7.1 Compliance Audit

Compliance audit is an independent assessment of whether a given subject matter (an activity, financial or non-financial transaction, information in respect of an entity or a group of entities) complies in all material respects with the applicable laws, rules, regulations, established codes etc. and the general principles governing sound public financial management and the conduct of public officials.

1.7.2 Financial Audit

Financial Audit deals with determining whether an entity's financial statements and information is properly prepared, complete in all respects and is presented with adequate disclosures in accordance with the prescribed financial reporting and regulatory framework; and is accomplished by obtaining sufficient and appropriate evidence to enable the auditor to express an opinion as to whether the financial statements and information represents a true and fair view of the entity's financial situation and is free from material misstatement due to fraud or error. It includes:

- examination and evaluation of financial records and expression of opinion on financial Statements;

- audit of financial systems and transactions, including an evaluation of compliance with applicable statutes and regulations which affect the accuracy and completeness of accounting records; and

- audit of internal control and internal audit functions that assist in safeguarding assets and resources and assure the accuracy and completeness of accounting records.

1.7.3 Performance audit

Performance Audit is an independent, objective and reliable examination of whether Government entities, institutions, operations, programmes, funds, activities (with their inputs, processes, outputs, outcomes and impacts) are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement.

1.8 Our Audit Process

The audit process at the SAI level and the individual audit office level follows several stages, as depicted in the following diagram:

Annual Audit Plans developed by each field office contain the details of the individual audits planned to be carried out during the annual audit cycle. The annual plan exercise also takes into account the periodicity of audit, as determined by audit mandate; risk assessment; and other relevant parameters, including significance of the issue or unit and human resources. The selection of topics for Performance Audit is guided by various considerations such as risk assessment, materiality and significance, visibility of the subject, past audits, estimated impact, coverage and stage of the programme development etc.

We also develop detailed audit programmes describing the audit teams to be deployed, the time allotted and the exact dates of the audit. The audit teams conduct audit based on prescribed audit norms, using different techniques for collecting reliable, competent and sufficient audit evidence to support their audit conclusions. They are guided by the auditing standards of SAI India and other instructions issued from time to time.

On completion of an audit, an Inspection Report is issued to the audited entity. Audit findings of high value, or the ones that may have a significant impact,

are further processed for inclusion in the Audit Reports of the CAG for laying in the Parliament/State Legislatures at the Union and State levels.

The audited entities are expected to take action on the basis of the shortcomings pointed out and the recommendations made in the Audit Reports and send Action Taken Notes on the audit observations included in the Audit Reports. The Audit Reports issued by the CAG at the Union and State levels, are discussed by the respective Public Accounts Committees (PAC) and Committees on Public Undertakings (COPU). Action taken on audit observations and recommendations is also examined and reported upon during subsequent audits.

The Audit Committees constituted by audited entities are a mechanism for follow up of audit findings. The Audit Committees, consisting of officials from the audited entity and the IA&AD, monitor the follow-up process, so as to bridge any perception gaps and to increase levels of communication, besides discussing and resolving outstanding audit observations.

1.9 Highlights of the Annual Audit Plan 2020-21

The Annual Audit Plan 2020-21 accorded first priority to the Financial Attest Audit related assignments, including certification of accounts and Certification Audit of Centrally Sponsored Schemes and Externally Aided Projects. Our coverage of Compliance and Performance audits was guided by risk assessment and optimal utilization of our remaining resources, with emphasis on quality and timeliness of Audit Report.
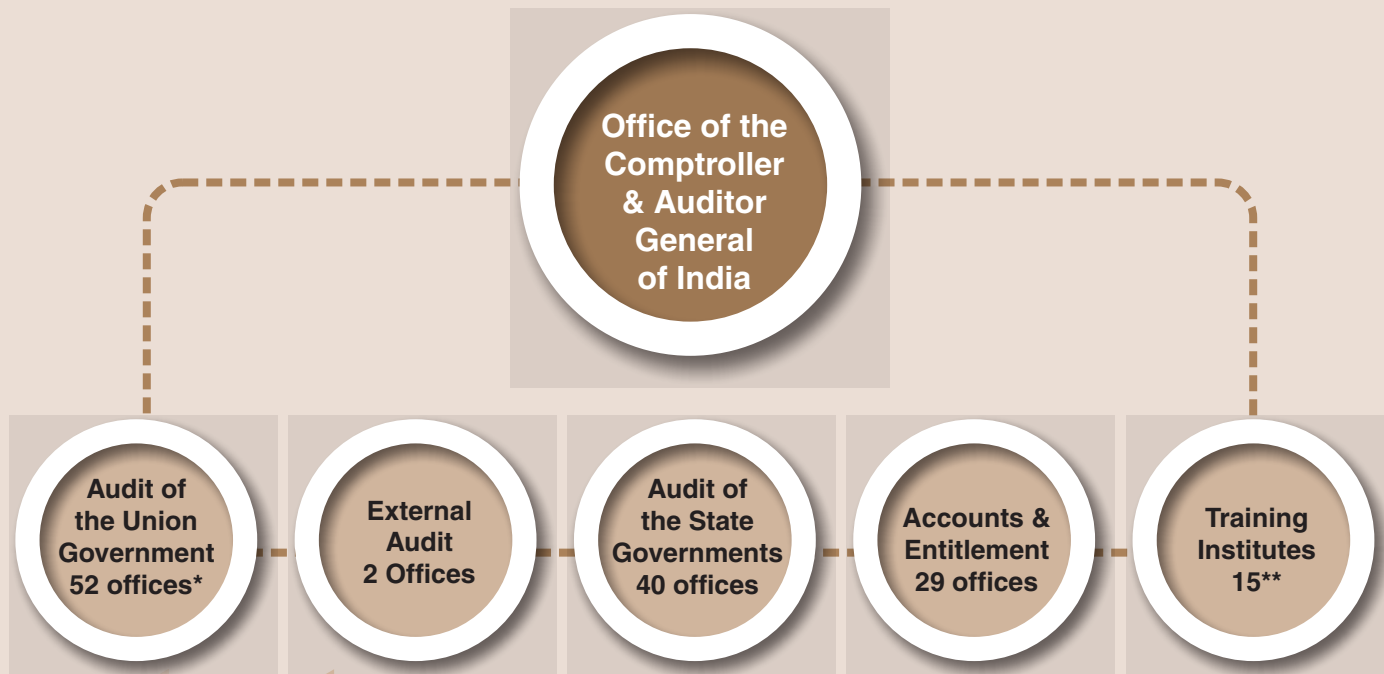
After holding several interactions with stakeholders and experts, three All India Performance Audits were initiated during the year *viz.* Ayushman Bharat-PMJAY (Pradhan Mantri Jan Aarogya Yojana), PM Kisan Samman Nidhi Yojana and Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) & Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA). Besides these topics, we identified key areas of focus in audits and planned for cross cutting audits across States in significant areas such as Audit of efficacy of implementation of the 74th Constitutional Amendment Act, Availability of drugs, medicines and equipment in Government Medical Institutions throughout the State, Direct Benefit Transfer, Adequacy of Working Women's hostels, Performance of Discoms-pre and post UDAY, Waste Management in Urban Areas/Smart cities and Illegal Mining.

1.10 Organisation

The CAG discharges his duties through the Indian Audit & Accounts Department. The Department consists of approximately 43,000 employees. The CAG's office located in New Delhi is the headquarters of IA&AD. During 2020-21, it was supported by 138 field offices (133 offices spread across India and five offices located abroad).

Office of the Comptroller & Auditor General of India

| Audit of the Union Government 52 offices* | External Audit 2 Offices | Audit of the State Governments 40 offices | Accounts & Entitlement 29 offices | Training Institutes 15** |

*Civil Audit (13), Defence Audit (6), Finance & Communication Audit (1), Railways Audit (18), Commercial Audit (11), Overseas Audit (3)
**National Academy (1),International Training Institutes (2), Regional Training Institutes (10), Regional Training Centres (2)

1.11 Office of the CAG

The Office of the Comptroller and Auditor General of India in New Delhi directs, monitors and controls all activities connected with audit, accounts and entitlement functions of IA&AD. It lays down the long term vision, mission and goals of SAI India. It also sets the policies, auditing standards and systems and carries out the final processing and approval of all Audit Reports. For carrying out these responsibilities, there are separate divisions dealing with Accounts and Entitlement, Civil Audit, Commercial Audit, Defence Audit, Railway Audit, Revenue Audit, State Governments Audit, Professional Practices, Strategic Management, Administration of Personnel, Training, Communication, Inspection of field offices, Big Data Management etc. These divisions are headed by the Deputy Comptroller and Auditors General/ Additional Deputy Comptroller and Auditors General who report to the CAG. They are assisted by Directors General, Principal Directors, Directors and Deputy Directors, who are all senior level managers. The Organization chart of the Office of the CAG is available at *https://cag.gov.in/content/organisation-chart*.

1.12 Field Offices in IA&AD

The functional wings in the CAG office are supported by the field offices located in different parts of the country. These offices are responsible for carrying out the audit and accounts mandate of the CAG. The types of field offices in the Department are described below:

- **Office of the Director General of Audit (Central Receipts)** handles audit of Revenues of Union Government.

- **Offices of the Director General of Audit (Defence Services), Principal Director of Audit (Air Force) and Principal Director of Audit (Navy)** are responsible for audit of Defence Ministry/Departments including Public Sector Undertakings, corporations, autonomous bodies, attached offices under them.

- **Office of the Director General of Audit (Railway Board), Delhi, Director General of Audit (Rail Commercial), Delhi and Audit Offices organised as per Railway Zones all over the country** are responsible for audit of Railway Ministry including Public Sector Undertakings, corporations, autonomous bodies and attached offices under them.

- **Offices of the Directors General/Principal Directors of Audit (Union Ministries/ Departments):** Apart from above offices, there are 24 audit offices in Delhi and outside which are responsible for audit of receipts and expenditure of the remaining Union Ministries/Departments including Public Sector Undertakings, corporations, autonomous bodies and attached offices under them. These offices have primarily been assigned audit of Ministries perceived to have the most interconnected outcomes and linkages, given today's governance, programme and service delivery landscape and strategies for future.

- **Overseas Audit Offices** headed by Principal Directors in Washington, London and Kuala Lumpur audit embassies and other Government establishments in their jurisdiction.

- **External Audit Offices** headed by Directors of External Audit in Rome and Geneva audit Food and Agriculture Organization and World Health Organisation.

- **Offices of the Principal Accountants General/Accountants General (Audit) in every State** are responsible for the audit of all the Departmental clusters allotted to them.

- **Offices of Principal Accountants General/Accountants General, Accounts and Entitlement (A&E)** are engaged in compiling the accounts of the State Governments and authorizing General Provident Fund and pension payments of their employees.

- **Training Institutes:** Three international/national level Central Institutions, 10 Regional Training Institutes and two Regional Training Centres are engaged in the capacity building of the officers and staff in the IA&AD.

1.13 Organizational structure of IA&AD

The organizational set up of IA&AD at the Headquarters is summarized below:

Charge	Sectors
Audit of Union Government	
Deputy CAG (DAI) – Central Revenue Audit	Heads the vertical auditing Union Government Revenues (Income Tax, Goods and Services Tax and Customs).
Deputy CAG (DAI) – Commercial	Heads the vertical responsible for audit of 15 Economic Ministries and 3 Departments of the Union Government and the commercial undertakings and autonomous bodies under them.
Deputy CAG (DAI) – Coordination, Communication & Information Systems	Heads the vertical for audit of Ministries/Department of Finance, Communication and Electronics & Information Technology including commercial undertakings and autonomous bodies under them. Also heads the vertical dealing with data analytics and audit of IT Systems and strategy management and policy making and coordination of issues related to audit of central/state governments. DAI is assisted by Additional Deputy CAG (Professional Practices Group, Strategic Management Unit and Local Bodies) and Additional Deputy CAG (Finance & Communication).
Deputy CAG (DAI) – Defence & Railways	Heads the vertical responsible for audit of the Ministries of Defence and Railways including commercial undertakings and autonomous bodies under them.
Deputy CAG (DAI) – Report Central	Heads the vertical responsible for audit of all Union Ministries/ Departments other than Economic, Defence, Finance, Communication and Railway Ministries including commercial undertakings and autonomous bodies under them.

Charge	Sectors
Audit of State Governments	
Additional Deputy CAG (ADAI) – Central Region	Heads the vertical auditing Ministries/Departments including commercial undertakings and autonomous bodies under them in the States of Andhra Pradesh, Chhattisgarh, Madhya Pradesh and Telangana.
Additional Deputy CAG (ADAI) – Eastern Region	Heads the vertical auditing Ministries/Departments including commercial undertakings and autonomous bodies under them in the States of Bihar, Jharkhand, Odisha and West Bengal.
Additional Deputy CAG (ADAI) – Northern Region	Heads the vertical auditing Ministries/Departments including commercial undertakings and autonomous bodies under them in the States of Haryana, Himachal Pradesh, UT of Jammu & Kashmir, UT of Ladakh and Punjab.
Additional Deputy CAG (ADAI) – North Central Region	Heads the vertical auditing Ministries/Departments including commercial undertakings and autonomous bodies under them in the States of Uttar Pradesh, Uttarakhand and Delhi.
Additional Deputy CAG (ADAI) – North Eastern Region	Heads the vertical auditing Ministries/Departments including commercial undertakings and autonomous bodies under them in the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.
Additional Deputy CAG (ADAI) – Southern Region	Heads the vertical auditing Ministries/Departments including commercial undertakings and autonomous bodies under them in the States of Karnataka, Kerala, Tamil Nadu and UT of Puducherry.
Additional Deputy CAG (ADAI) – Western Region	Heads the vertical auditing Ministries/Departments including commercial undertakings and autonomous bodies under them in the States of Goa, Gujarat, Maharashtra and Rajasthan.

Charge	Sectors
Government Accounts	
Deputy CAG (DAI) – Government Accounts & Chairperson-GASAB	Heads the Accounts and Entitlement vertical of the Department, comprising 28 offices. These offices deal with compilation of State Governments' accounts and the entitlements of State Government employees. Also chairs the Government Accounting Standards Advisory Board (GASAB), which deals with setting accounting standards in the public sector. DAI is assisted by Additional Deputy CAG (GASAB).
Human Resource management and others	
Deputy CAG (DAI) – Human Resources & International Relations	Administrative head of the IA&AD. Heads several verticals dealing with human resources, budget, legal affairs, examinations and implements official language and also heads the International Relations Division. DAI is assisted by Additional Deputy CAG (Training).
Additional Deputy CAG (ADAI) – Inspection	Heads the vertical responsible for oversight functions with a view to provide assurance on compliance levels, course corrections for optimal utilization of human capital, efficiency optimization and gap analysis.

1.14 Comptroller and Auditor General's Audit Advisory Board

There is an Audit Advisory Board, to advise the CAG on matters relating to audit and suggest improvements in the performance and focus of audit within the framework of the Constitutional mandate of the CAG.

The Board consists of nominated external members who are eminent persons in diverse fields, as well as Deputy Comptroller and Auditors General of the IA&AD. The members of the Board function in an honorary capacity. The Audit Advisory Board is reconstituted every two years. The first Audit Advisory Board was constituted in 1999. Since then, the Board has been reconstituted nine times (2001, 2003, 2006, 2009, 2011, 2013, 2015, 2018 and 2021). The tenth Audit Advisory Board constituted in April 2021 for the biennium 2021-23, has the following members:

Ex-officio Chairman

Mr. Girish Chandra Murmu
Comptroller and Auditor General of India

Members

Mr. Ashok Gulati
Agricultural Economist

Dr. Devi Prasad Shetty
Chairman and Executive Director, Narayana Health

Mr. H. K. Dash
Retired IAS Officer

Mr. Makarand R. Paranjape
Academician

Mr. Manish Sabharwal
HR Consultant

Mr. Maroof Raza
Retired Indian Army Officer

Mr. Nitin Desai
Distinguished Fellow, TERI, UN retd.

Dr. Ravinder H. Dholakia
Economist

Mr. S.M. VIjayanand
Retired IAS officer

Mr. Suresh N Patel
Central Vigilance Commissioner

All Deputy C&AGs - Ex-Officio Members

CHAPTER 2

Key Results and Achievements in Audit

Key functional areas of the department include audit of the Ministries/Departments of the Union and State Governments, Public Sector Undertakings (PSUs) and Autonomous Bodies under them and Local Bodies.

The key outputs of these audits are Inspection Reports, Audit Reports and Audit Certificates. Ensuring the quality and timeliness of these audit products is a key result area of the IA&AD. In this Chapter, we report on the audits performed by us and the highlights of our audit products during 2020-21.

The IA&AD conducts financial, compliance and performance audits. The details of such audits conducted during 2020-21 are given in the following paragraphs:

2.1 Financial Attest Audit

Besides the financial attest audit of annual accounts of the Union and State Governments, Autonomous Bodies and PSUs, the IA&AD also certifies the expenditure incurred on externally aided projects, as part of aid agreements.

During 2020-21, we examined 4,002 accounts of Union and State Governments, PSUs, Autonomous Bodies, externally aided projects and other entities and issued an audit certificate for each account. 1,947 audit certificates were issued within the prescribed time frame.

Accounts relating to	No. of Accounts examined	On time Audit Certification
Central / State Government	246	216
PSUs (Central/State)	1,373	875
Autonomous Bodies (Central/State)	828	291
Externally Aided Projects (Central/State)	182	120
Others (Central/States)[3]	1,373	445
Total	**4,002**	**1,947**

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[3]'Others' include proforma accounts of departmental undertakings of commercial nature including Centrally Sponsored Schemes

The delays in certification of accounts were on account of receipt of incomplete accounts; revision of accounts; late receipt of accounts from Autonomous Bodies, Companies and Statutory Bodies; procedural delays; delays due to non-receipt of records for verification of accounts and non-settlement of observations; delays in receipt of replies to audit observations; longer time taken in discussion with management on critical issues and bunching of accounts etc. COVID-19 outbreak also contributed to the delays.

2.2 Compliance Audits

2.2.1 Audit Coverage

A total of 20,460 units were audited during 2020-21. The graph below shows that 76.17 *per cent* of the planned audits at the Union level and 84.64 *per cent* of the planned audits at the State level were completed.
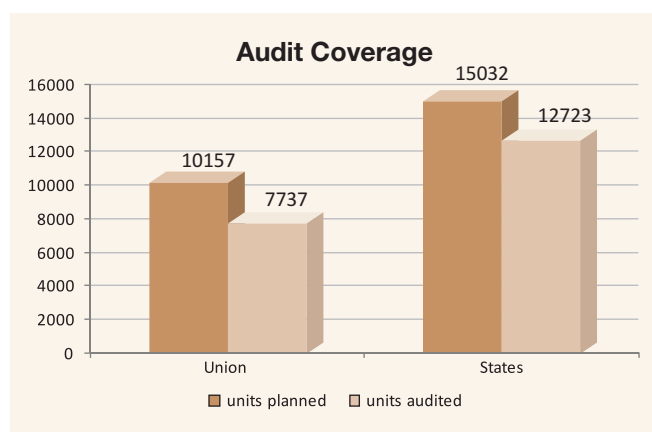
2.2.2 Inspection Reports

Inspection reports are issued on completion of every audit to the audited entity. Of the 20,460 units audited during the year, inspection reports in case of 16,671 units (81.48 *per cent*) were issued in 2020-21.

At the Union level, 83.13 *per cent* of the inspection reports were issued on time i.e. within 30 days, while at the State level, the on-time performance was 61 *per cent.*

Audit Reports	Inspection Reports issued	Inspection Reports issued within 30 days	Percentage of Inspection Reports issued within 30 days
Union	5,935	4,934	83.13
States	10,736	6,557	61.07
Total	**16,671**	**11,491**	**68.93**

2.2.3 Audit observations reported in Compliance Audit Reports

Significant audit observations made during compliance audit are included in the Compliance Audit Reports. A total of 8,209 paragraphs (1,294 in the Union Audit Reports and 6,915 in the State Audit Reports) were included in the Audit Reports approved during 2020-21.

At the Union level, 574 of the 1,294 paras were accepted and 63 paras were partially accepted by the audited entities. At the State level, of the 6,915 paras, 5,878 were accepted and 226 were partially accepted by the audited entities.

2.3 Performance Audits

Continuing with the approach adopted in the year 2019-20, the areas of audit which were outcome focused were identified and selected centrally. As mentioned in Para 1.9, some of the important topics taken up for audit were Audit of efficacy of implementation of the 74th Constitutional Amendment Act, Availability of drugs, medicines and equipment in Government Medical Institutions throughout the State, Direct Benefit Transfer, Adequacy of Working Women's hostels, Performance of Discoms pre and post UDAY, Waste Management in Urban Areas/Smart Cities, and Illegal Mining etc. Audit Reports approved during 2020-21 included 67 Performance Audit topics which contained 633 recommendations.

2.4 Audit Reports

Article 151 of the Constitution envisages that the CAG will prepare and submit reports to the President or the Governor for laying in the Parliament or the State Legislatures, as the case may be.

Between 2017-20, CAG approved, on an average, 96 Audit Reports annually for laying in the Parliament/State Legislatures. During the year 2020-21, 123 Audit Reports, of which 18 Reports for tabling in the Parliament and 105 in the State Legislatures, were approved. Out of 123 Audit Reports, 17 Union Audit Reports and 64 State Audit Reports were presented to the Parliament and the State Legislatures respectively, during 2020-21. Further, 3 Union Audit Reports and 25 State Audit Reports of prior period were also presented to the Parliament/State Legislatures during 2020-21.

The Reports of the C&AG, after they are tabled in the Parliament/State Legislatures, are placed in public domain at *https://cag.gov.in/audit-reports.*

2.5 Impact of Audit

2.5.1 Acceptance of Recommendations made by Audit

The status of recommendations made in the 123 Audit Reports approved during 2020-21 was as under:

Audit Reports	No. of Audit Reports approved during the year	Recommen-dations made	Recommen-dations accepted
Union Government	18[4]	223	50
State & Union Territory Governments	105[5]	1525	661
Total	123	1,748	711

Thus, 1,748 recommendations were made in the 123 Audit Reports prepared during 2020-21 of which 711 recommendations were accepted.

2.5.2 Recoveries at the instance of Audit

Some of our audit observations pertain to under assessment of taxes or specific loss to the exchequer, necessitating recoveries from the concerned parties. Recoveries made at the instance of audit, during the year, are indicated below:

(₹ in crore)

	Recoveries accepted	Recoveries effected
Union Government	11,258.21	3,671.38
State Government	17,901.28	2,042.70
Total	**29,159.49**	**5,714.08**

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[4]Of these, 17 Audit Reports were presented to Parliament during 2020-21
[5]Of these, 64 Audit Reports were presented to the State Legislatures during 2020-21

The recoveries of ₹5,714.08 crore effected by the Government was much more than the entire spending by the IA&AD amounting to ₹5,035.25 crore.

2.5.3 Financial Impact of the Audit of Annual Accounts of PSUs

In case of annual accounts of Government companies and corporations, we conduct supplementary audit, under section 143(6) of the Companies Act, 2013. Supplementary audit of accounts of 1,080 companies and corporations (both Union and State) was conducted during 2020-21 and the impact of these audits on the accounts was: (a) amendment to Notes to the Accounts: ₹48,764.60 crore (b) classification mistakes: ₹15,739.88 crore (c) changes in profit and loss: ₹30,523.69 crore and (d) changes in assets and liabilities: ₹66,633.64 crore.

2.5.4 Changes in Policies, Laws and Rules and Procedures at the instance of audit

Some of the changes in the policies, laws, rules and procedures made by the Government on the basis of our observations are as follows:

2.5.4.1 Union Audit

(i) Commercial Audit- (Audit Report No. 13 of 2020 on National Pension System)

Audit observed that Implementation of National Pension System (NPS) had many deficiencies *viz.* operational delays, non-finalisation of rules governing service conditions of eligible employees etc. On the recommendations of Audit, the Department of Financial Services/Pension Fund Regulatory and Development Authority notified Central Civil Services (Implementation of National Pension System) Rules 2021vide Gazette Notification in March 2021 which provided for regulating the methods of implementation of NPS.

(ii) Commercial Audit-(Audit of Annual Accounts of Oil and Natural Gas Corporation Limited (ONGC) for the year 2019-20)

On the recommendations/observations of Audit, ONGC adopted guidelines for accounting of expenditure for attaining knowledge on availability, exploration and exploitation of shale gas.

(iii) Report Central-(Inspection Report No. 15 of 2019-20 Audit of O/o the Deputy Secretary (Personnel), Secretariat, Andaman and Nicobar Administration

On the basis of the audit observations, the Andaman and Nicobar Administration reviewed the status regarding payment of House Rent Allowance (HRA) and issued orders to recover the entire inadmissible payment of HRA from the salary of employees who were allotted single/family accommodation.

(iv) Defence-(Audit Report No. 20 of 2019 on Management of Defence Offsets)

In view of the observations and to ensure transparency and efficiency in the verification process, an offset portal has been created and operationalized in May 2019 for end to end online submission and audit of offset claims. To increase the participation of domestic industry in offset, Ministry of Defence/Defence Offset Management Wing is making constant efforts in association with Indian Industry Associations and has taken several measures to increase the Indian Offset Partner (IOP) base.

(v) Railways-(Para No.3.10 of Audit Report No. 19 of 2019)

On being pointed out by Audit, Ministry of Railways has arranged commissioning of one

Pit Wheel Lathe (sanctioned for Tikiapara) Electric Multiple Unit (EMU) Car shed at Santragachi Car shed for wheel turning of locos through necessary internal modification. As a result, detention of locos homed at Electric Loco Shed Santragachi Junction Railway Station has decreased, besides easing the workload of wheel turning at Tikiapara EMU Car shed.

(vi) Railways-(Para 2.1 of Audit Report No. 19 of 2019)

The Railways had implemented the Private Freight Terminals (PFTs) policy to enhance Railways share in the overall transport chain through participation of private sector. In this regard, Audit had recommended that Railways need to simplify rules and regulations and create a single window clearance system for the entire zone. Audit also recommended that the Railways may consider incentivising Terminal Management Companies (TMCs) by bearing the cost for commercial staff deputed at PFTs themselves.

As a remedial action, Railways Administration has issued Modified Policy which aimed at simplified procedures and single window clearance system. Vide same policy, Ministry of Railways considered incentivizing TMCs by bearing the cost of commercial staff deputed at Private Freight Terminals.

2.5.4.2 State Audit

(i) Odisha I-(State Financial Audit Report 2019-20)-Misclassification of revenue expenditure as capital expenditure

The State Government, during Exit Conference on the State Financial Audit Report 2019-20, stated that classification of expenditure between capital and revenue heads would be reviewed and correctness in accounting classification maintained during the budget 2022-23 onwards.

(ii) Jharkhand-Para No. 06 of Inspection Report No. 68/2016-17

At the instance of Audit, the Government of Jharkhand issued a notification in November 2020 for compulsory approval of design of locally made tractors-trolley/tanker before its registration as a transport vehicle.

(iii) Uttarakhand–(Audit Notes issued in January 2020)

Centralised Oxygen supply system was not established in the District Hospitals. In view of Audit's recommendation/observations, State Government issued orders effecting establishment of Centralised Oxygen supply system.

(iv) Uttarakhand–(Audit Notes issued in May 2019)

Upon pointing out that Intensive Care Units (ICUs) were not established or set-up in any of the District Hospitals of the State, the Medical Department took up this issue and processed the establishment of ICU facilities.

(v) Uttarakhand-(Audit Notes issued in May 2019)

On the recommendation/observations of Audit, State Government issued orders in October 2019, April 2020 and August 2020 for initiating the process of implementation of Indian Public Health Standards for providing uniform criteria/norms for various health facilities.

2.6 Follow Up on Audit Findings and Recommendations

ISSAI 10 prescribes that SAI should have independent procedures for follow up to ensure that audited entities properly address their observations and recommendations and that corrective actions are taken. Regulations on Audit and Accounts 2020 stipulates that the Secretary to Government of the concerned Department shall cause preparation of self-explanatory Action Taken Note(s) on the audit paragraph(s) relating to his/her Department, that are included in the audit report, for submission to the Public Accounts Committee/Committee on Public Undertakings.

An Action Taken Note (ATN) states whether -

- Facts and figures in the audit report are acceptable;

- Circumstances in which the irregularity pointed out by Audit occurred;

- Action taken to fix responsibility and likely time frame for its completion;

- Current status of recovery;

- Action taken or proposed to be taken on suggestions and recommendations made by audit; and

- Remedial action taken or proposed to avoid recurrence of similar lapses in future.

The table below shows the position of ATNs as on 31 March 2021:

	ATNs awaited at the end of 31 March 2020	ATNs settled during the year 2020-21
Union	1,037	675
States	10,800	687
Total	11,837	1,362

ATNs on 11,837 Audit Paragraphs were pending for submission by the Union and the State Governments. Consequently, Audit could not verify the remedial action taken or proposed to be taken to avoid recurrence of similar lapses in future.

CHAPTER 3

Key Results and Achievements in Accounts and Entitlements

Introduction

The duties and powers of the CAG, in relation to the accounts of the Union and States, are laid down in Article149 of the Constitution of India read with Sections 10,11 and 12 of the CAG's DPC Act, 1971. The CAG is responsible for compilation and preparation of accounts of State Governments (other than NCT of Delhi and Goa), maintenance of General Provident Fund accounts in 20 States, authorization of pension payments of State Government employees in 19 States and Gazetted Entitlement (GE) functions in nine States. Details are furnished in Table 3.1 at the end of this Chapter.

3.1 Performance related to Accounts function

3.1.1 State Principal Accountants General (PAsG) / Accountants General (AsG) (Accounts & Entitlement) prepare the Annual Finance and Appropriation Accounts of the respective States, which, after certification by Audit, are signed by the CAG for being laid in the State Legislatures as per the prescribed timelines.

3.1.2 Besides the Annual Accounts, various MIS reports relating to Monthly Civil Accounts and Expenditure figures are provided to the State Governments regularly. The PAsG /AsG also provide to the Head of the Finance Departments of their State, the 'Accounts at a Glance' which gives a broad overview of Finance and Appropriation Accounts and also fiscal indicators over a period of five years.

3.1.3 Timeliness of Accounts

i.   Finance and Appropriation Accounts

The Finance and Appropriation Accounts of 16 States for 2019-20 were certified by 31 March 2021 and the Accounts of Haryana, Jharkhand, Karnataka, Rajasthan, Telangana and Tripura for 2019-20 were placed in the State Legislatures by end of March 2021. Accounts of remaining States for 2019-20 were either at printing stage or under finalization or with State Governments for laying in the State Legislature as on 31 March 2021. Delays in some cases was due to lockdown conditions owing to COVID-19 pandemic.

ii. Monthly Civil Accounts

194 out of 364 monthly civil accounts were rendered by the A&E Offices on time during 2020-21, while there were delays in rendering the remaining accounts. The delays in rendering the monthly civil accounts were mainly due to late receipt of accounts from treasuries / divisions / other accounts rendering units of State Governments due to COVID-19 Pandemic induced lockdowns and technical issues faced by the States.

3.1.4 Completeness of Accounts

The Monthly Civil Accounts rendered were complete in all respects. No accounts were excluded in the States' Annual Finance Accounts 2019-20.

3.1.5 Combined Finance and Revenue Accounts

The Combined Finance and Revenue Accounts (CFRA) of the Union and State Governments in India is an informative compilation that integrates important information pertaining to the accounts of the Union, Union Territories and all the States for a year, together with their balances and outstanding liabilities and other information as to the financial position. CFRA is published annually and is useful to several stakeholders as it consolidates the financial position of the Union and the States in one place. While the broad framework of CFRA has been retained, the revised version adopted with effect from 2016-17 is more analytical.

The CFRA statements comprising three volumes is compiled by AG (A&E) Punjab and audited by the AG (A&E) Haryana. The compilation "Union and State Finances at a Glance" is prepared by Government Accounts Wing of CAG Office to complement the CFRA Statements.

The CFRA for 2018-19 was under submission for approval at the end of March 2021. The dashboard on the CAG website[6] hosts CFRA data for a period of five years up to 2017-18 for the Union/States and UTs. In addition, the Appropriation Accounts Dashboard has also been linked with five years data and can be seen using the same link under "Appropriation Accounts dashboard".

3.1.6 Guidelines on Validation of Vouchers

On the basis of recommendations made during the 29th Accountants General Conference-2018, detailed guidelines on validation of vouchers were issued in May 2020. Owing to implementation of Integrated Financial Management System (IFMS), there is practically no difference in details mentioned on the face of the voucher and the data downloaded from the IFMS server, thereby substantially reducing data entry work.

3.1.7 Guidelines on Operation and Accounting of Reserve Funds

Reserve Funds are created for specific and well defined purposes by contributions or grants from the Consolidated Fund of India or State or from outside agencies. They are created to meet any liabilities, contingencies or commitments. On the basis of recommendations made during the 29th Accountants General Conference-2018, detailed guidelines on operation and accounting of Reserve Funds were issued in June 2020. The objective of the guidelines was to bring uniformity in operation and accounting of Reserve Funds across the country.

3.1.8 Treasury Inspections

PAsG/AsG (A&E), being the compilers of the State Government Accounts, examine the internal control mechanism in treasuries. The objective of treasury inspection is to seek an assurance that various checks and procedures prescribed for the preparation of initial accounts, payment of salary, pensions etc. are being duly complied with by the treasuries. Treasuries in almost all the States are computerised.

Inspections of 774 treasuries/sub-treasuries were carried out during 2020-21. As a result of these inspections, 704 Inspection Reports were issued by the end of March 2021 wherein 520 recommendations were made.

3.1.8.1 Results of Treasury Inspections

The treasury inspections revealed a number of deviations relating to compliance with financial rules, pointing towards fault lines in the internal control systems and impacting the financial management of the States. A few results of inspections done during 2020-21 are mentioned below:

(a) **Excess payment of Pension:** Cases of excess payment of pension were found in almost all the treasuries. The excess payments of pension were mostly due to wrong restoration of the commuted portion of pension. A major recovery of ₹49.23 lakh was pointed out in the Inspection Report of **Jammu & Kashmir** Treasury situated at Office of Resident Commissioner, Jammu & Kashmir House, New Delhi.

(b) **Excess retention of Cash Balance:** In most of the Treasuries inspected in **Kerala** during 2020-21, the total cash balance was found to be in

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6http://cag.gov.in—>*Accounts*—>*Dashboard for Union and State Finances*

excess of the limits prescribed by the State Government under Rule 309 of the Kerala Treasury Code Volume I. For example, District Treasury, Kottarakkara in Kerala was authorised to retain ₹25 lakh for the first 10 working days and ₹20 lakh for the remaining days but this limit was exceeded on 10 occasions during 2020-21. Excess retention of cash balance in Treasuries is one of the main reasons for additional Interest burden on the 'Ways and Means advances' of the Government.

(c) Non-Mustering of pensioners: As per Rule 280 (a) of **Kerala** Treasury Code Volume I, the Treasury Officer has to conduct mustering of Pensioners annually, in the case of Pensioners/Family Pensioners/Pension Treasury Savings Bank (PTSB) holders. Mustering is to be done once in three years where payment of Pension is made through Money Order. These provisions are intended to prevent fraudulent pension payments. Instances of Pension payments were noticed during inspection of sub-treasury Kottayam where mustering was not done even after 8 to 10 years.

(d) On scrutiny of the Register of the Zero Balance Current Account records maintained by the Tura Treasury in **Meghalaya,** it was observed that money was drawn on various occasions through cheques for meeting petty expenditure. However, the details of the subsequent disbursement of moneys from the amount so withdrawn were not found recorded in the Cash-book or any other register which was in contravention of Meghalaya Financial Rules.

3.1.9 Guidelines on Treasury Inspection in the e-environment

Detailed guidelines on Treasury Inspection in the e-environment subsequent to the implementation of National e-Governance Plan were issued in October 2020. The objective of these guidelines is to seek assurance on the IFMS of the State, through its Accounts Rendering Units, that information submitted to the AG (A&E) is complete, correct, change managed and secure.

3.1.10 Reserve Bank Deposits reconciliation and penal interest – Initiatives taken

The Reserve Bank of India (RBI) is the banker to the Government. RBI authorizes agency banks on the request of the State Governments to carry out the Government's business.

i. It was observed that cash balances of the State Governments as reported in the Accounts by AsG (A&E) were not in agreement with the cash balances reported by RBI. The differences in the cash balances mainly pertained to old periods. During 2020-21, PAsG/AsG (A&E) reconciled differential debits of 23,324 items and settled ₹1,39,350.03 crore. Similarly, credits of 17,479 items amounting to ₹1,42,860.63 crore pertaining to old un-reconciled outstanding balances of Reserve Bank Deposits for different State Governments were settled.

ii. Government receipts have to be credited to the Government account in the time period as prescribed in the Memorandum of Instructions issued by RBI. It was observed that receipts of the Government were not credited into the Government Account maintained at RBI in time by the Agency Banks. State Governments were sensitized about this and advised to monitor the performance of Agency Banks for timely credit of the State revenues to the RBI. State AsG (A&E) calculated the penal interest on delayed remittance of Government revenues by the Agency Banks.

As a result, penal interest claims for ₹4.47[7] crore and ₹16.35 crore were made by AsG (A&E) and State Governments respectively and penal interest of ₹39.88 lakhs[8] was recovered during the year 2020-21.

[7]₹4.47crore includes the claims of PAG (A&E)-I, Maharashtra, PAG (A&E) Rajasthan, AG (A&E) Punjab and AG (A&E)-I Uttar Pradesh.
[8]AG (A&E) Rajasthan (₹12.85 lakh), AG (A&E) Gujarat (₹13.86 lakh), AG (A&E) Odisha (₹13.14 lakh) and AG (A&E) Uttar Pradesh (₹0.03 lakh)

3.2 Performance with regard to Entitlement Functions

Across the board, A&E offices have made efforts to improve satisfaction levels by expediting disposal of final payment cases of GPF, authorisation of pension and issue of pay slips etc. by streamlining entitlement functions. Move towards electronic data transfer, e-authorisation has reduced the time taken for disposal of cases in some offices. All efforts were made to adhere to the time frames for disposal of cases as laid down in the Citizens' Charter. Online complaint redressal mechanisms are functioning in almost all A&E offices.

3.2.1 Revision of Citizens' Charter

A revised Citizens' Charter was finalized in August 2020 and hosted on the CAG's Website with timelines for delivery of various services to pensionary benefits, Provident Fund dues and GE functions. A link has also been made available on the CAG's Website to provide a State-wise Grievance Redressal Mechanism for entitlement related grievances.

3.2.2 Information related to Entitlement functions

Information relating to the status of pension, GPF and GE functions is available on the websites of respective AG offices and through SMS based services, where details have been provided to the offices. This enables the concerned stakeholders and other visitors to view information uploaded on the respective State's websites and receive intimation through SMS as well.

3.2.3 Pension cases finalized

The function of pension authorization is being carried out by 20 A&E offices. These offices finalized 5,05,872 cases of Original and Pension Revision during 2020-21.The State-wise total pension cases received and finalized during 2020-21 is given in Table 3.2. As per the Citizens' Charter, original pension cases are to be finalised within 30 working days from the receipt of the case complete in all respects in the AG office. The average time taken for finalization of a case ranged from one day to 30 days

in Bihar, Jharkhand, Kerala, Manipur, Nagaland and West Bengal. In Assam, Andhra Pradesh, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Maharashtra, Meghalaya, Odisha, Punjab, Tripura, Telangana and Tamil Nadu, average time taken in finalization of a Pension case was more than 30 days mainly due to wanting information from the Departments concerned or other operational reasons due to COVID-19 lockdowns.

3.2.4 Maintenance of GPF Accounts

In 20 States, 22 A&E offices are responsible for the maintenance of GPF accounts of the State Government employees. During 2020-21, 28,41,122 GPF accounts were maintained by these offices. Due to introduction of National Pension Scheme by the State Governments, with effect from 2004 onwards, there has been a reduction of 5.50 *per cent* subscribers in comparison to the previous year.

3.2.5 Finalization of GPF Final Payment cases

During 2020-21, out of 1,88,218 cases due for final payment of GPF, the A&E Offices finalized 1,80,541 final payment cases (95.92 *per cent*) within the prescribed time limit.

No. of GPF final payment cases due in 2020-21	No. of final payment cases finalized
1,88,218	1,80,541

3.2.6 Introduction of digitally signed application for fresh pension cases, e-Service Book and e-authorities through IFMS

In **Odisha,** a project of digitally signed application for fresh pension cases, e-Service Book and e-authorities through IFMS has been introduced. This provides facility of uploading pensioners' data by the Pension Sanctioning Authorities (PSAs) and Departments. Pensioners' data and necessary attachments are downloaded at the A&E Office. Afterwards, Data is inserted into the System

Automation Initiative (SAI) module, verified with the hard copy of Service Book details received through post and the processing of Pension (PPO), Commutation (CPO) and Gratuity (GPO) in the SAI System is done. Provision has also been made in the AG office website for issue of Pensioner's copy of PPO/GPO/CPO directly to the pensioners, accessible through their log-in details.

3.2.7 Proactive engagement with stakeholders

This year, nationwide Adalats for pensioners/ employees and Workshops for the Treasury officers were convened virtually due to COVID-19 pandemic. Few are described as below:

Himachal Pradesh: As a part of the pro-active initiative to increase the outreach for pension related issues, to offer convenient and inexpensive redressal mechanism/confidence building measures, the office initiated quarterly participation in a Live Phone-in programme of All India Radio (AIR) -'*Lok Vani*'. In this programme, citizens are invited to call the AIR Centre to discuss their issues and seek clarifications pertaining to Pension and GPF. The officers of the AG (A&E) office were present at the venue for the duration of the programme and redress the grievances of pensioners and GPF subscribers on the spot to the maximum extent possible. Besides the programme on AIR, a '*Janvani*' programme was also telecasted by Doordarshan Kendra, Shimla on monthly basis to apprise the public of the entitlement functions of AG Office.

Telangana: In view of the COVID-19 Pandemic, AG (A&E) Telangana decided to conduct Department wise virtual Pension Adalats for clearance of long pending Pension Cases on web-conferencing platforms. Accordingly, Virtual Pension Adalat was conducted for Backward Classes Welfare Department and Women Development & Child

Welfare Department in January 2021. This Virtual pension Adalat was attended by the Special Secretary to the Government along with Pension Sanctioning Authorities of both Departments along with the concerned Pensioners.

Uttar Pradesh: A camp was organized at Magh Mela, Prayagraj between January 2021 to February 2021 to receive grievances of the GPF subscribers and for prompt settlement thereof.

Jharkhand: A Workshop of District Treasury Officers/Sub-Treasury Officers/Treasury Assistants of Jharkhand was conducted in January 2021 in virtual mode. Special Secretary, Planning-cum-Finance Department, Government of Jharkhand and Principal System Analyst from NIC were also present at the workshop.

3.2.8 Web-based Grievance Redressal Mechanism in CAG's website

There is a centralized Web-based Grievance Redressal Mechanism for registering grievances online. GPF subscribers/Pensioners can register complaints online or through e-mails to the concerned A&E office. In case, a subscriber/ pensioner is not convinced with the reply of the AG office then she/he may also send her/his grievance to the Complaint Wing of the CAG office. All the links related to grievance redressal system are available on CAG's website[9]. On lodging the grievance, the system automatically generates a registration number of the grievance and sends an SMS to the complainant for future reference.

During 2020-21, 2,112 complaints were received in CAG office which were disposed of within the time frame of the Citizens' Charter during 2020-21.

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[9]*https://cag.gov.in/en/page-entitlement-grievance*

3.3 Training on Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS)

Under the G-20 data Gaps initiatives, India had committed to provide Government Finance Statistics and Public Sector Debt Statistics data for Union Government and State Governments on a quarterly basis by 2021. It was decided that CAG office would compile and provide data electronically in respect of GFS and PSDS for the State Governments.

CAG, in collaboration with the International Monetary Fund- South Asia Regional Training and Technical Assistance Centre (IMF-SARTTAC), organized a Virtual Training Programme covering all A&E offices during June 2020 in order to acquaint officials of A&E offices with GFS Manual 2014 (GFSM 2014) and PSDS Guide for Compilers and Users 2011 (Debt Guide) framework. The training was imparted to Senior Deputy Accountants General/Deputy Accountants General (A&E) and Senior Accounts Officer/Accounts Officer/Assistant Accounts Officer who are responsible for compiling data so as to gain knowledge of the GFS and PSDS for smooth translation of the States' Fiscal data into GFSM classification. Online Google Spreadsheets have been developed for consolidation of the States' fiscal data.

The economic classification and coding of GFSM-2014 is different from that of Indian Government accounting classification. Therefore, a concordant table has been developed in consultation with the Controller General of Accounts, Government of India and IMF-SARTTAC for mapping of the States' fiscal data with GFSM-2014 economic classification. A test run for conversion of State Accounts data into GFSM-2014 Classification was also conducted during the Virtual Training Programme in June 2020 using State Accounts data for the financial year 2017-18.

3.4 The Way Forward

3.4.1 All India Virtual Seminar of all A&E offices

An all India virtual Seminar of all A&E offices (31 offices) was held in March 2021. Topics on Validation of Vouchers in IT environment/IFMS, analysis of Accounts, quality and timeliness through quarterly KRA reports, recommendations of Finance Commission and State Finances, Online reconciliation of Receipts/Expenditure, e-inspection of Treasuries, Reconciliation with RBI and new IT projects were discussed.

3.4.2 Roll out of IT projects

Following five IT projects for Government Accounts function were approved by CAG in September 2020 and are at various stages of implementation:

(a) **Development and Implementation of Web and SMS based Services for Entitlement Functions**

The Entitlement functions (GPF, Pension and GE) in our A&E offices provide opportunity to public service directly to the employees and pensioners of the State Governments. Like any other department involved in public service delivery, it was our constant endeavor to improve the quality of service delivery being provided to the stakeholders. IT enabled services have become very basic minimum services in today's world where all the stakeholders have access to internet, mobile phones, media etc.

As the A&E offices having Entitlement functions were at different levels of service delivery, a project on development and implementation of Web and SMS based Services was conceived to render real time services to State Government employees in respect of entitlement. An assessment was made for all the States to bring them to a common level of IT enabled service delivery through 12 Web based services and four SMS based services which were included in the project. The project covered all field offices having entitlement functions.

A tender document was floated for rendering SMS and Web bases services and work was awarded to two parties. Work is under implementation.

(b) Digitization of records of Entitlement functions

The old records relating to entitlement functions (pensions and GPF) are very difficult to keep and retrieve for revision/updating. As such, an end to end Document Management System was conceived which will not only reduce the time taken to finalize cases but will also facilitate a very robust back-up and recovery of information for decision making. It will release office space, besides being cost effective and environment friendly. It will also help in business continuity planning and will facilitate work from anywhere.

A project was conceived for digitization of approximately 10 crore pages in nine field offices. All the preparatory work has been done by four vendors in the sites allotted to them but due to the COVID-19 Pandemic restrictions, the digitization work could not be started in the field offices.

(c) Appropriation Accounts Dashboard Project

The Project is being done in house. Dashboards showing Finance and Appropriation accounts of the Union and States for 2017-18 have been completed. It is intended to be done for five years (2014-15 to 2018-19) and is planned to be hosted on the CAG's website in an interactive manner along with Dashboard on Finance Accounts.

(d) Integration of Voucher Level Computerization Application (VLC) with State IFMS

IFMS is an e-governance initiative of the Central Government, undertaken as a Mission Mode Project, encompassing computerization of financial transactions of the State Governments, with the aim of providing real time information on the finances of the States,

for better fiscal management. IFMS has been implemented partially by the State Governments and is in advanced stage of implementation in most of the States. So far, no State has implemented IFMS fully. With the implementation of IFMS, the State Governments are moving towards paperless vouchers. IFMS envisages integration with Treasuries, Agency Banks, AG, RBI and Government Departments. Integration of VLC System with IFMS is under process. Currently, 23 States provide monthly accounts in electronic mode to AG. Digital data are pushed into VLC after due validations for generation of Monthly Civil Accounts and Annual Accounts.

First version of Functional Requirements Specification (FRS) of the application for Integration of Voucher Level Computerization Application (VLC) with State IFMS has been prepared and sent to all A&E offices for comments/suggestions. Suggestions/ comments received were under consideration.

(e) Centralised Pension Processing Project

A&E offices of IA&AD are providing pension authorization services to retired employees of the State Government in 19 States. Currently, the pension applications are being processed through various decentralized IT applications implemented in these A&E offices. The State Governments are also at varying levels of implementing their HR solutions.

The Centralised Pension Project (CPP) aims at consolidating these applications into a single, enterprise-wide application. The centralised application strives to ensure that every employee receives his/her retirement benefits on the day of retirement.

The new proposal is aimed at engineering the existing manual/semi-automated work flows into one that benefits the digital era, thereby increasing the efficiency and effectiveness of the process.

The application will have integration with other systems like State HRMS, Digi locker, IFSC

Codes, other internal applications of A&E offices and will also provide SMS/Email integration to provide services to the stakeholders.

A Project Team headed by AG (A&E), Telangana has been formed to oversee the development and implementation of the project. CTO Wing is assisting the Project team in the process. National Institute for Smart Government (NISG) has been hired as a consultant to provide support in the preparation of Functional Requirement Specifications (FRS) and the tendering process for selection of a System Integrator for development and rollout etc. The Request for Proposal (RFP) preparation is under process.

3.4.3 In Odisha, a project for issuance of smart cards/plastic cards to the pensioners to replace the Pensioners' half of paper based Pension Payment Order book is underway. Basic information will be encrypted in the Chip based smart card as mentioned in the PPO books and some additional information like Permanent Account Number, e-mail ID, blood group, list of family members, signature/finger prints, identification marks etc. will also be made available so as to serve the purpose of ID proof also. The cost will be borne by the Odisha State Government. The project is at an advanced stage.

Table 3.1: Functions with State Accountants General (A&E)

Accounts	General Provident Fund	Pension	Gazetted Entitlement
1. Andhra Pradesh	1. Andhra Pradesh	1. Andhra Pradesh	1. Assam
2. Assam	2. Assam	2. Assam	2. Bihar
3.Arunachal Pradesh	3. Chhattisgarh	3. Bihar	3. Jharkhand
4. Bihar	4. Gujarat	4. Haryana	4. Karnataka
5. Chhattisgarh	5. Haryana	5. Himachal Pradesh	5. Kerala
6. Gujarat	6.Himachal Pradesh	6. Jammu & Kashmir	6. Manipur
7. Haryana	7. Karnataka	7. Jharkhand	7. Meghalaya
8. Himachal Pradesh	8. Kerala	8. Karnataka	8. Nagaland
9.Jammu & Kashmir	9.Madhya Pradesh	9. Kerala	9. Tamil Nadu
10. Jharkhand	10. Maharashtra	10. Maharashtra	
11. Karnataka	11. Manipur	11. Manipur	
12. Kerala	12. Meghalaya	12. Meghalaya	
13. Madhya Pradesh	13. Nagaland	13. Nagaland	
14. Maharashtra	14. Odisha	14. Odisha	
15. Manipur	15. Tamil Nadu	15. Punjab	
16. Meghalaya	16. Tripura	16. Tamil Nadu	
17. Mizoram	17. Uttar Pradesh	17. Tripura	
18. Nagaland	18. Uttarakhand	18. West Bengal	
19. Odisha	19. West Bengal	19. Telangana	
20. Punjab	20. Telangana		
21. Rajasthan			
22. Sikkim			
23. Tamil Nadu			
24. Tripura			
25. Uttar Pradesh			
26. Uttarakhand			
27. West Bengal			
28. Telangana			

Note: Madhya Pradesh, Maharashtra and Uttar Pradesh have two A&E offices. Madhya Pradesh-II office has only GPF functions.

Table 3.2: State-wise finalization of Pension cases and Revision of Pension cases during 2020-21

Sl. No.	A & E Offices	Original Pension		Revision of Pension	
		No. of cases received (including opening balance)	No. of cases settled	No. of cases received (including opening balance)	No. of cases settled
1	Andhra Pradesh	13,272	12,763	5,927	5,722
2	Assam	13,915	13,234	970	868
3	Bihar	22,320	17,982	21,662	3,525
4	Haryana	13,481	13,481	33,993	33,993
5	Himachal Pradesh	10,037	10,030	4,355	4,332
6	Jammu & Kashmir	18,587	16,508	71,110	63,230
7	Jharkhand	9,471	8,260	34,006	12,846
8	Karnataka	21,337	21,299	10,889	10,731
9	Kerala	27,788	26,860	5,540	5,245
10	Maharashtra-I	20,453	20,453	28,722	26,759
11	Maharashtra-II	15,524	15,012	21,939	20,770
12	Manipur	3,183	2,383	3,180	1,836
13	Meghalaya	3,629	3,609	357	349
14	Nagaland	2,630	2,584	5,876	5,804
15	Odisha	13,590	12,383	3,920	3,381
16	Punjab	23,645	20,562	34,932	9,779
17	Tamil Nadu	13,105	12,750	9,441	8,596
18	Telangana	9,052	9,051	5,005	5,005
19	Tripura	4,543	4,492	57	57
20	West Bengal	18,497	12,468	63,541	26,880
	TOTAL	**2,78,059**	**2,56,164**	**3,65,422**	**2,49,708**
	TOTAL (Original Pension cases and Revision pension cases)	**6,43,481**			
	Total cases settled	**5,05,872**			

CHAPTER 4

Our Interaction with Key Stakeholders

Our primary stakeholders include the Parliament, State Legislatures and the public. The Parliament and State Legislatures have Public Accounts Committees (PAC) and Committees on Public Undertakings (COPU), which examine the audit reports submitted by SAI India. Other key stakeholders include government departments and ministries, as well as organisations and individuals with specific interest in the subjects of the audits conducted by SAI India and citizens of the country.

Communication with our stakeholders is a continuing and dynamic process. Our interaction with clients and stakeholders helps us in understanding their expectations from SAI India and gives meaning to the assurance and accountability that we deliver through our work.

4.1 CAG's Audit Advisory Board

An Audit Advisory Board advises the CAG in matters relating to audit including coverage, scope and prioritisation of audits together with suggestions on audit approaches and techniques within the framework of the constitutional and statutory mandate of the CAG.

The members of the Board function in an honorary capacity. The Board consists of eminent persons in diverse fields and Deputy Comptroller and Auditors General from the Department. The first Audit Advisory Board was constituted in 1999. Since then, the Board has been reconstituted nine times (2001, 2003, 2006, 2009, 2011, 2013, 2015, 2018 and 2021). The process for constituting the Tenth Audit Advisory Board was started in 2020-21 and the constitution of the Audit Advisory Board was notified in April 2021. The Board will have a term of two years. The list of external members of this board is given in para 1.14 of this report.

4.2 State Audit Advisory Boards

On similar lines, Audit Advisory Boards have been constituted in the States, under the chairmanship of the concerned Principal Accountants General/ Accountants General of Audit Offices. Other Accountants General in the states are *ex-officio* members of the Board. External members are nominated from amongst eminent academicians, professionals and retired Civil Servants. The objective of the State Audit Advisory Boards is to enhance the effectiveness of our audits, by providing a forum for professional discussion between the senior management of the audit offices and knowledgeable and experienced professionals from varied fields. The Boards meet twice a year and are reconstituted biennially.

4.3 Interaction with audited Entities

Our audited entities are amongst the key stakeholders in the audit process. Our interaction with them takes place on a continuous basis - before, during and after audit. Our audit programmes are communicated well in advance to the audited entities. All audit teams conduct entry and exit conferences, at the beginning and closure of the audits. At every stage of audit, the audited entity is given an opportunity to respond to audit queries and findings. Field offices also participate in Audit Committee meetings organized by Ministries/ Departments to discuss and take action on the audit observations included in the Inspection Reports and those printed in the CAG's Audit Reports. Officials from audited entities are invited to Seminars/ Workshops and Training Courses organized in the Department.

## 4.4 Interaction with Public Accounts Committee and Committee on Public Undertakings

The Public Accounts Committees (PAC) and Committees on Public Undertakings (COPU), at the Union and State levels are our main partners in ensuring public financial accountability. CAG's Audit Reports that are tabled in the Parliament/Legislature stand referred to the PAC/COPU. CAG assists in the working of the Committees, by preparing a Memorandum of Important Points for discussion on Audit Reports. The CAG and his representatives assist the PAC/COPU in their examination of witnesses during their meetings.

The Executive is required to report on the action taken on the recommendations of the Committee. The Committees then publish an Action Taken Report. In case of audit observations not discussed in the meetings, the Executive is required to furnish Action Taken Notes there on. Both the Action Taken Reports and the Action Taken Notes are duly vetted by Audit before they are furnished to the Committees.

During 2020-21, the Central PAC/COPU held 47 meetings and discussed 13 Paras/Performance Audit Reviews, as summarized below:
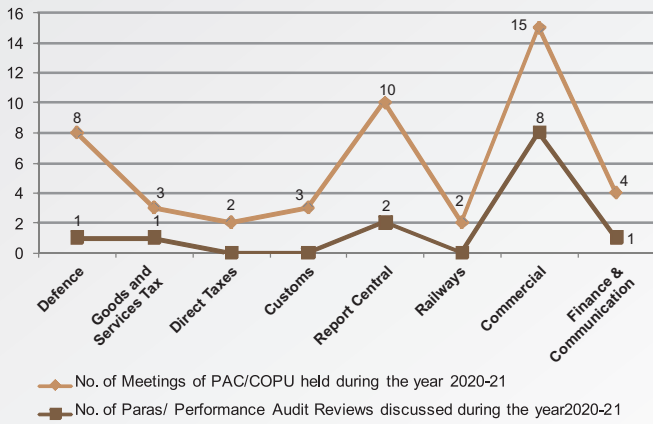
The State PACs/COPU met on 387 occasions during the year 2020-21 and discussed 816 Paras/Performance Audit Reviews, as summarized below:

No. of Meetings of PAC/COPU held during the year 2020-21
No. of Paras/ Performance Audit Reviews discussed during the year2020-21

No. of Meetings of PAC/COPU held during the year 2020-21
No. of Paras/Performance Audit Reviews discussed during the year 2020-21
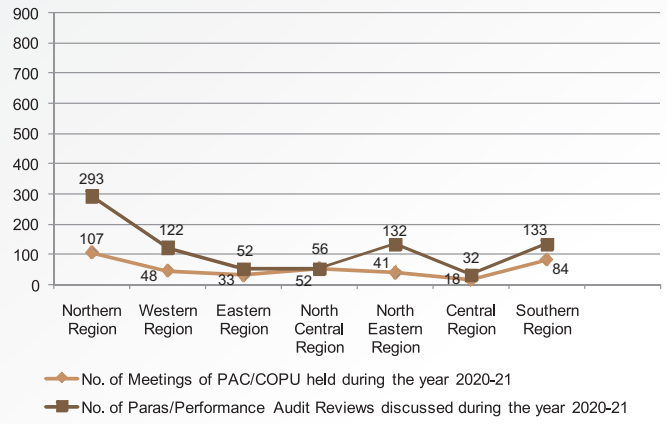
4.5 Interaction with academic and professional institutions

We interact with a number of academic and professional institutions. Senior Officers of the Department are nominated on Central Councils of Institutes, such as the Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI) and Institute of Cost Accountants of India (ICWAI). By virtue of being Council members of ICAI, the Officers are also nominated on various Committees/Boards of the Institute, such as the Accounting Standards Board, Auditing and Assurance Standards Board, Internal Audit Standards Board, Professional Development Committee, Ethical Standards Board, Committee on Information Technology, Peer Review Board etc., ensuring constant interaction with these professional bodies. Our training institutions also remain in touch with various academic institutions, for faculty support in training our staff and officers.

4.6 Interaction with Media

We have a documented communication policy that guides our interactions with external stakeholders. The Communication Policy wing at the Headquarters Office headed by the Media Advisor is responsible for effective communication with print/electronic media and public. The Media Advisor officiates as the spokesperson at Headquarters. The Principal Accountant General or the senior most Accountant General level Officer where there is no Principal Accountant General in the State is responsible for effective communication with the media in the States/UTs.

We undertake a range of actions to communicate audit messages to our clients after audit reports are presented to Parliament and State Legislature. A press conference is usually held after the audit reports are tabled in the Parliament/concerned Legislatures. Press briefs are also issued highlighting the contents of the Audit Reports after their presentation in the Parliament/State Legislature. The reports are made available on our website.

Such interaction is intended to disseminate information about the Department, the Audit Reports and to issue clarifications, if any, needed by our stakeholders or to remove distortions or misrepresentation of facts by any external agency.

CHAPTER 5

Professional Standards and Quality Management

Professional Standards on auditing and accounting are the edifice to quality auditing and accounting. We are conscious of the significance of Professional Standards and Practices both for Government Auditors and Accountants. These provide guidance to be followed under diverse situations by all the practitioners and serve as benchmarks for the quality control and quality assurance processes. Auditing Standards of SAI India envisage that the SAI should have an appropriate quality assurance system in place.

5.1 Government Accounting Standards Advisory Board (GASAB)

The CAG, in consultation with Government of India, constituted the Government Accounting Standards Advisory Board (GASAB) in August 2002. The mission of GASAB is to formulate and recommend accounting standards with a view to improve governmental accounting and financial reporting to enhance public accountability and quality of decision making. The new priorities focus on good governance, fiscal prudence, efficiency and transparency in public spending instead of just identifying resources for public scheme funding.

GASAB consists of 20 members with high level representation from the Government (Union and State), professional accounting institutes, RBI and Academia. GASAB has the following objectives:

a. To establish and improve transparency in government accounting and financial reporting in order to enhance accountability mechanisms.

b. To identify and consider significant areas of accounting and financial reporting that can be improved through the standard setting process.

c. To formulate and propose Government Accounting Standards that improve the usefulness of financial statements based on the needs of all stakeholders.

d. To provide training on implementation of Government Accounting Standards.

e. To review, at regular intervals, the Government Accounting Standards from the point of view of acceptance or changed conditions, and, if necessary, revise the same.

f. To issue other pronouncements e.g. issuance of Guidance Notes, which provide guidance on issues in financial reporting in Government.

g. To carry out such other general functions related to financial reporting, e.g., publishing of research papers etc. and

h. To examine how far the relevant International Government Accounting Standards such as International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) can be adapted while formulating the Government Accounting Standards given the conditions and practices prevailing in India.

GASAB develops two kinds of standards:

(i) Indian Government Accounting Standards (IGAS) based on cash based accounting system which are mandatory for application by Union, States and the Union Territories with legislature from the date of notification by the Government; and

(ii) Indian Government Financial Reporting Standards (IGFRS) based on accrual based accounting systems which are recommendatory.

These standards, developed in consultation with stakeholders, are forwarded to Ministry of Finance (MOF) for notification in accordance with Article 150 of the Constitution of India, which specifies that the accounts of the Union and of the States shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe.

5.1.1 Accounting Standards notified by the Government of India

- IGAS-1: Guarantees given by Governments: Disclosure Requirements

- IGAS-2: Accounting and Classification of Grants-in-aid

- IGAS-3: Accounting of Loans and Advances

5.1.2 Accounting Standards/Guidance Notes approved by GASAB and sent for notification to MOF – yet to be notified as on March 2021

- Modified IGAS 2: Accounting of Grants-in-aid

- Modified IGAS 3: Accounting of Loans and Advances

- Guidance Note on accounting of fixed assets

- IGAS 7: Foreign Currency transactions and loss or gain by Exchange Rate variations

- IGAS 9: Government Investments in Equity

- IGAS 10: Public Debt and Other Liabilities of Governments: Disclosure requirements

5.2 Accounting Standards / Disclosure Statements dealt by GASAB Secretariat during 2020-21

5.2.1 Review of un-notified Standards

GASAB had proposed to review the existing pronouncements every three years to update, modify, keep the pronouncements current and reflect the changes in the Government accounting environment. In view of the time gap since the draft Standards were sent to the Ministry of Finance and pendency of these Standards for notification, GASAB decided to revise the following three Standards, *suo motu:*

i. IGAS 7: Foreign Currency transactions and loss or gain by Exchange Rate Variations;

ii. IGAS 9: Government Investments in Equity; and

iii. IGAS 10: Public Debt and Other Liabilities of Governments.

Of the above documents under revision, the first revised drafts in respect of the Standards at (ii) and (iii) above have been completed during the year as per the target and circulated among the members for vetting and comments/suggestions. These are being followed up for further revision and finalisation. Remaining draft Standard as at (i) is under revision.

5.2.2 New Standards

In Government Accounts, Reserve Funds are created for specific and well defined purposes by contributions or grants from the Consolidated Fund of India or State, or from other agencies. These funds are part of the Public Account and do not lapse at the end of the Financial Year and are carried forward from year to year. Fund balances accumulated under Reserve Funds reflect the liabilities of the Government. It includes both:

i.   Interest bearing Reserve Funds

ii.   Non-Interest bearing Reserve Funds.

A Concept Paper on accounting of Reserved Funds was finalised and shared (July 2020) with the Technical Advisors. Comments on the Concept Paper have been received from stakeholders which are being examined for incorporation and finalisation of the draft Standard.

5.2.3 Revision of Due Process

The functioning of GASAB had hitherto been guided by the 'Rules of Business' framed in the year 2011. However, to streamline and codify the functions of GASAB to make them more focused, robust and inclusive, the 'Due Process of GASAB' indicating the vision, mission, objectives of GASAB, roles and responsibilities of the Stakeholders, processes involved in formulation of Standards, structure of Standards etc. was adopted in August 2020 replacing the 'Rules of Business'.

5.2.4 Standards/Disclosure Statements based on Cash Based International Public Sector Accounting Standards (IPSAS)

IPSASB encourages entities to present financial statements that comply with the requirements of the accrual basis IPSASs. IPSASB appreciates that in some jurisdictions which practice accounting on cash basis, a transitionary process may be necessary to achieve that end. The Cash Based IPSAS has been developed as an intermediate step to assist in the transition to the accrual basis of financial reporting and adoption of accrual based IPSASs. The Cash Based IPSAS play an important role in enhancing the quality of financial reporting by entities reporting on the cash basis of accounting and in supporting entities as they transit to the accrual IPSAS.

GASAB, in collaboration with the Institute of Chartered Accountants of India, has identified the following four topics for preparation of cash based IPSAS standards/disclosure statements:

(i)   Contingent Liabilities;

(ii) Recognition of Revenue Receipts;

(iii) Correction of Prior Period Errors; and

(iv) Recipients of External Assistance

Preparation of all the four draft Standards has been completed and were in test run in pilot States during the year. The results of pilot studies have started to come in based on which the documents are being finalised for placement before the GASAB Board for approval and implementation.

5.2.5 Collaboration with IMF-SARTTAC

During the year, GASAB has collaborated with the IMF – SARTTAC (South Asia Regional Training and Technical Assistance Center) for a gap analysis project on Indian Finance Accounts with the Cash Based IPSAS. As a result of continued engagement during the year, a gap analysis report has been generated and issued by the IMF headquarters which is under examination in GASAB and GA Wing for implementation. Successful implementation will enable the Indian State Finance Accounts to become Cash Based IPSAS compliant.

5.3 Natural Resource Accounting in India

Environmental accounting has been spearheaded by the United Nations (UN) across the world. India is a signatory to these efforts of UN and thus, it is an obligation of the country to adopt the framework of environmental accounting. As an effort towards this, a Concept Paper on Natural Resource Accounting (NRA) in India was prepared by GASAB secretariat in CAG's Office and digitally launched by Shri Babul Supriyo, Hon'ble Minister of State for Environment, Forest and Climate Change on 28th July 2020 from the *Indira Paryavaran Bhawan*. The Paper has also been shared with the Hon'ble Prime Minister of India and appreciation of PMO has been received for the endeavour.

The Paper, *inter-alia*, envisages short, medium and long term goals in consonance with the four stage strategy suggested by the System of Environmental and Economic Accounting (SEEA) Framework of UN, as mentioned below:

5.3.1 Progress made on Short term Goals (2019-20 to 2021-22)

GASAB Secretariat has been following up the Action plans envisioned in the Concept Paper and the progress made on multifarious aspects of short term goals are given below:

5.3.1.1 Preparation of Asset Accounts on Mineral & Energy Resources

The envisaged Action Plan No.1 under short term goals was to commence with the preparation of Asset Accounts on Mineral & Energy Resources, more importantly the non-renewable resources in the States[10]. In order to test the draft templates of Asset Accounts on Mineral & Energy Resources included in the Concept Paper, pilot studies were initiated (July 2020) in five States. The State AsG were advised to conduct the pilot study in collaboration with the State Governments (Mines & Geology Departments).

As of March 2021, pilot studies in three[11] out of five States have been successfully completed preparing the Asset Accounts on Mineral & Energy Resources in these States for the year 2019-20 both, physical assets and monetary accounts. Other two States are also in advanced stages and are expected to complete the pilots soon. In view of the success in preparation of Asset Accounts in three States, the draft templates of Asset Accounts have been circulated among the members of the Consultative Committee on Natural Resource Accounting Cell for comments/inputs. Based on these inputs, the draft templates are being finalised for being rolled out in

Short term goals	Mid-term goals	Long term goals
• Preparation of Asset Accounts on mineral and energy resources in States • Initiation and preparation of disclosure statement on revenues and expenditure related to NRA *(2019-20 to 2021-22)*	• Preparation of National Asset Accounts on mineral and energy resources • Preparation of Asset Accounts in respect of other three resources namely water, land and forest resources in the States • Preparation of supply and use tables in physical and monetary terms showing flow of natural resource inputs, products and residuals *(2022-23 to 2024-25)*	• Preparation of the economic accounts highlighting depletion adjusted economic aggregates; and • Preparation of functional accounts recording transactions and other information about economic activities undertaken for environmental purposes. *(2025 - 26 onwards)*

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[10]*Andhra Pradesh, Goa, Meghalaya, Rajasthan and Uttar Pradesh*
[11]*Goa, Meghalaya and Rajasthan*

the States for preparation of Asset Accounts for the year 2020-21 onwards. As a good initiative, Andhra Pradesh Government has contributed with modifying the e-permit system to enable capturing data required for the Asset Accounts, henceforth.

The State PAsG/AsG have also been advised (February 2021) to impress upon the State Governments the importance of Asset Accounts for the States as a repository of vital information on their resource bases and future streams of revenue.

5.3.1.2 Disclosure on revenues and expenditure on natural resources

Parallel to the efforts on Asset Accounts, the GASAB has also commenced working on a disclosure statement to map the revenues and expenditure related to natural resources. While the revenues are well covered and reported through the Finance Accounts which can provide leads, the expenditure includes multiple areas like those incurred by the Departments managing the resources, environmental degradation etc. which will also be captured. More importantly, some expenditure is also incurred by other agencies which are not presently routed through the Finance Accounts and the challenge is to cover them as well as to present a

true and fair picture of receipts and expenditure related to natural resources. GASAB Secretariat, in association with Government Accounts Wing, has identified a number of receipts and expenditure heads and circulated the matter to the AsG Offices in the field for comments/inputs to widen the ambit of the disclosure.

This will largely help while proceeding with the second stage of implementing NRA i.e. preparation of supply and use tables reflecting the flow of natural resources, under mid-term goals.

5.3.1.3 Creation of NRA Cells

In order to steer the implementation of the action plans envisioned in the Concept Paper, an NRA Cell has been constituted in GASAB headquarters with members from diverse stakeholders like the ministries in the Government of India, The Energy & Resources Institute (TERI), ICAI, five State Governments across the country, eminent environmentalists etc. NRA Cells have also been formed in the States to enable co-ordination between the AG Offices in the States with the local State Governments and steer the project towards preparation of Asset Accounts for each of the resources as envisaged in the Concept Paper.

5.4 Audit methodology and guidance

The mandate of the Professional Practices Group (PPG) in CAG Office includes development, dissemination and implementation of new audit methodologies and it serves as an advisory wing for technical issues relating to audit procedures and processes. PPG adopts a consultative approach before putting in place a new procedure or initiative as also whilst revising existing procedures. PPG also provides professional inputs to national and international professional organizations on development of new audit practices as well as internalization of best practices within the Department by issue of new guidelines and practice notes. During the year 2020-21, the following initiatives were undertaken:

5.4.1 Regulations on Audit and Accounts, (Amendments) 2020

Regulations on Audit and Accounts were published in 2007 for the first time under the CAG's powers to frame rules and regulations under the CAG's DPC Act. Two amendments were carried out in 2010 and 2014. These Regulations were, however, subjected to review in Courts and proved to be very significant in interpretation of CAG's audit mandate and processes.

Significant developments have occurred in the environment wherein public auditors operate such as governance paradigm, changes in government priorities, extensive deployment of IT tools in service delivery and data environment of the government, new form of institutional set ups, judicial interpretation of the CAG's mandate, scope and applicability of public audit provisions to name a few. In view of the developments, CAG's Regulations on Audit and Accounts were amended in 2020 and notified on 25 August 2020.

Salient features of the amended Regulations 2020 include a renewed focus on auditing in an IT environment and auditing with IT tools; access to electronic data and related systems; combining the principles and practices of the three forms of audit viz. Performance, Compliance and Financial audit under a single chapter to ensure brevity of processes and cohesiveness in approach; consolidating approach to audit and reporting of local bodies; and a clearer elucidation of general principles of government accounting.

5.4.2 Guidance Note on Usage of Remote Sensing Data and Geographic Information System for effective audits

The basic objective of this guidance note is to outline the framework detailing the important concepts and tools of Remote sensing; Geographic Information Systems and Global Positioning System and their utility in audit planning, implementation and evidence gathering for a purposeful audit product. This has important implications in audit of land and dependent physical resources like forest, water bodies, land use, agriculture, etc. and audit of economic activities like mining, irrigation, etc.

5.4.3 Guide for preparing State Finances Audit Report (SFAR)

Guide for preparing SFAR was issued in September 2020. The Guide provides a structure for indicative analysis of common issues like the State's (i) budgetary position, (ii) long-term fiscal sustainability, (iii) reliability of fiscal indicators, and (iv) quality of accounts and financial reporting. It also provides a framework for analyzing and reporting various parameters of government revenues, expenditure, trends, its priorities, pressure points in mobilization of resources and expenditure management to highlight a few. The guide is intended to help the auditor prepare a document which would help an informed reader to traverse the fiscal correction path adopted, key developments in state public finance, the budgetary process, structure of Government accounts, a snapshot of the state's finances and balance, focusing on the deficit parameters.

5.5 Internal Control and Quality Assessment

5.5.1 Quality Management through Inspections

Inspection and Peer Review Wing at CAG Office is vested with the responsibility of conducting test checks of all the Functional offices of the department across the board. The wing performs oversight functions with a view to provide assurance on compliance levels, course corrections called for optimal utilization of human capital, efficiency optimization and gap analysis. Inspection provides a platform for sharing of good practices noticed in individual offices.

In order to fulfill its mandate, the wing carries out on-site inspections of field offices including branch offices. Offices are selected based on a point system based on risk parameters designed for this purpose.

Following mechanisms are in place to ensure effectiveness of inspections and responsiveness of functional wings in headquarters and field offices:

a. To make the process of inspection open and participative, the wing has endeavoured to improve and sustain synergy with all stakeholders through regular dialogue with the heads of the respective functional wings;

b. The inspection teams conduct desk studies of available material like earlier peer review reports/Inspection reports (IRs), detailed information called for from the office under inspection and periodical returns/inputs obtained from functional wings on regular basis. Teams go through briefing and debriefing sessions at the highest level before commencement and after completion of field assignments;

c. Reports are prepared in standard formats and are concise, and carry recommendations to engage stakeholders in a constructive manner;

d. Check lists on inspection of field offices and on specific issues and functional verticals prepared in consultation with respective groups are used by the inspection teams;

e. All the Inspection Reports are issued in digital form and also uploaded under Knowledge Management System (KMS) portal in the CAG's website. The IRs for the year 2014-15 to 2019-20 are available in the KMS portal and uploading work of IRs for the year 2020-21 is under process.

f. Compliance to the observations are called for from the field offices under two categories *viz.* (i) Category-A-where compliance is to be done by office itself, in a time bound manner, and (ii) Category-B-where compliance is dependent on action taken by external agencies like State Government, PSUs, etc. Individual offices have been advised to fix a time frame within which all the observations raised in the inspection reports are complied with.

5.5.2 Inspections and peer reviews conducted during the year 2020-21

• During the year, inspections of 15 field offices were planned and completed as detailed below:

No. of Inspections planned	No. of Inspections carried out	No. of observations raised during 2020-21	No. of observations settled during 2020-21	No. of paras/IRs outstanding at the end of March 2021	
				No. of paras	No. of IRs
15	15	861	2081	956	31

• During the year 2020-21 (affected by COVID-19 pandemic), inspections were conducted by modifying the methodology, in which a team of Inspection at Headquarters remotely conducted the preliminary desk reviews, based on information and scanned documents received from the field offices. Several inspection memos were then issued to the field offices by the Headquarters Inspection team. Thereafter, verification of the information and examination of records of the office was done physically by a team headed by a Group officer from that station. Inspection reports were then finalized by coordination of both the Inspection team at the field and concerned officers at Headquarters and issued by the Director General (Inspection).

5.5.3 Internal Peer Reviews

We organize Peer Review of offices in IA&AD as part of our Quality Assurance mechanism. These are governed by the guidelines on "Quality Assurance through Peer Review", and carried out in line with the performance monitoring framework (PMF) of SAI-2016.

During the year 2020-21, Peer Reviews were planned and completed for nine offices.

CHAPTER 6

Towards the vision for a Technology-led IA & AD

IA&AD is systematically shifting from various disparate legacy Information Technology (IT) applications to centralised IT solutions. The push to digital solutions is driven by the objective of standardising our work processes, reducing the processing time, improving quality of service rendered, and making them more knowledge-centric through leveraging internal and external auditee data.

IA&AD applications have been designed to ensure high availability and improved quality as well as continuity of services. New centralised solutions include state-of-the-art security architecture to handle advanced cyber threats. To ensure safety, periodical security audit of network, infrastructure and application by an independent external government empanelled agency are performed mandatorily. The role of Information Technology

services in IA&AD can be broadly grouped under the following categories:

- Design, development and roll-out of new IT applications;

- Supporting existing IT applications, especially in relation to Accounting & Entitlement (A&E) functions;

- Management and maintenance of supporting IT infrastructure (Hardware, Software and Networking infrastructure);

- Serving as a resource centre for Data Analytics, to assist in planning and execution of Audit assignments;

- Audit of IT Systems of Governments and other auditee entities.

6.1 Recent Initiatives and Developments

In line with Government of India's flagship programme 'Digital India', IA&AD is in the process of comprehensive digitisation of its business processes and records. Various initiatives and developments in this regard are summarised below:

6.1.1 One IA&AD One System

6.1.1.1 Design, Development and Roll out

IA&AD is a large organization-around 29,000 employees (posted across 138 field and branch audit offices) are involved in its core audit function.

Owing to the extensive size of our department, we encountered some inherent organisational challenges which could be solved only by deploying a dedicated tailor-made IT application for audit process management and knowledge management.

To address the various challenges faced by the department, in 2019, IA&AD took up development, implementation and roll-out of an end-to-end IT system named One IA&AD One System (OIOS). OIOS is primary a system of record for the entire chain of audit activities, thus acting as a Single

Source of Truth. It is an enterprise-wide end-to-end, web-hosted IT application for all audit activities across IA&AD. The objective is:

- to make audit more effective by empowering IA&AD audit personnel from the field audit teams upwards

- make our audit processes more efficient and effective through a state-of-the-art IT solution with seamless integration with other governmental and departmental applications

- to manage an IT-based process workflow.

OIOS application includes all the stages of an audit assignment lifecycle starting from:

- maintenance of audit universe, audit planning, audit design and audit execution;

- quality assurance and control of audit activities;

- finalization of audit products of different types and

- follow-up of audit products.

OIOS is a workflow-based IT system, and not based on post-facto data entry. It is envisaged to provide an offline laptop client and a mobile app as part of the OIOS Application. The offline client would facilitate the audit teams to continue audit even in areas with poor or non-existent internet connectivity.

The work for design and development of OIOS application was awarded in January 2020. The Project is being led centrally by the Information Systems (IS) wing headed by the Chief Technology Officer (CTO), with the full support of functional wings. A phase-wise approach is being followed for OIOS application development (functionalities grouped into three phases), with the use of the Agile Scrum Methodology for iterative development. A stagewise roll-out of developed functionalities to IA&AD field offices is being followed, with some field offices being designated as pilot offices and nodal offices for initial roll-out.

6.1.1.2 Status of OIOS Application Development and roll-out

OIOS (Phase I) was soft launched in July 2020 as a pilot in six[12] State Audit offices. Phase-I application includes functionalities for Audit Planning and Design, Field Audit Execution and Documentation, Knowledge Management System (KMS) and configuration of associated master data. Phase-I 'Go Live' was declared in November 2020.

Roll out of Phase I of the application in IA&AD field offices has been an intensive exercise. Trainings for field personnel have been conducted by a mix of in-house and external resources for each field office. Following the concept of master trainers, a team of in-house resources is hand-holding the field offices at the regional level. Dedicated posts for OIOS Functional Helpdesk were established at different Regional Training Institutes/ Centres of IA&AD. A total of 60 offices and branch offices have been trained for OIOS Phase-I till March 2021. This includes state audit offices, commercial audit offices, railways audit offices and central audit offices. 512 field audit teams have started working on OIOS and they have issued 3,724 audit observations through OIOS.

6.1.1.3 Status of Data Centre and Other Technical Services

OIOS embeds rigorous controls for maintaining the confidentiality, integrity and availability of the data. The application is hosted in a Tier-3 co-located data centre and deploys advanced security architecture, managed by professional services. To ensure continuity of service, all business-critical components are configured in high-availability mode and a disaster recovery centre with fail over approach is also included. Adequate redundancy in infrastructure, including Internet Service Providers, has been provisioned.

The Data Centre set-up for the OIOS project has been completed in October 2020. The setting-up and testing of the Disaster Recovery Centre is in progress. In order to ensure application access through IA&AD VLAN (without internet) and to

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[12]*Gujarat, Haryana, Odisha, Madhya Pradesh, Assam and Tamil Nadu*

minimize data loss, two near line Data Centres and connectivity with NIC Data Centres have been set-up.

6.1.2 Digitisation of Accounts & Entitlement functions

The following projects for digitisation of entitlement functions are in progress or have been rolled out during the year:

- Development and Implementation of Web and SMS based Services for Entitlement Functions

- Digitization of records of Entitlement functions

- Appropriation Accounts Dashboard Project

Further the preparation of Request for Proposal document for the Centralised Pension Process Project was initiated in 2020-21, and preparatory work for New Accounting Application Project involving integration of existing Voucher Level Computerisation (VLC) applications with the States' IFMS applications and associated aspects have also started.

Details of the above projects have been given in Chapter 3 of this report (para 3.4.2).

6.1.3 Implementation of secured IA&AD VLAN

IA&AD offices have been provided internet connectivity through a virtual network named IA&AD-Net, forming part of NIC-NET.

A project for revamping the existing LAN infrastructure and setting up a secured IA&AD VLAN and Wi-Fi access is in progress. The purpose is to ensure central deployment of security policies and maintenance of a complete IA&AD network through Network Access Control (NAC). The project has been divided into phases. The implementation of Phases 1 and 2A is at advanced stage. The final testing for Phase 1 offices (33 offices) is in progress.

6.1.4 Human Resource Management System (eHRMS)

In order to digitise the Service Records of IA&AD employees and automate the HR/Administration related activities, a project for HR management IT application (eHRMS) has been initiated. This application, designed by NIC, would maintain employee records in electronic form, from their joining to superannuation.

6.2 Management and maintenance of supporting IT infrastructure

Allotment of funds for procurement of IT hardware and software for use by IA&AD field offices is managed centrally. With the roll-out of OIOS and other IT applications, and in view of the COVID-19 pandemic which has put emphasis on facilitating work from home, impetus was given on procurement of laptops. In addition to sanctions given to field offices for purchase of laptops, centralised procurement of around 1,700 laptops was also completed. For enabling audit parties to work on OIOS during field audit in areas with poor internet connectivity, mobile Wi-Fi devices were also sanctioned.

IA&AD has entered into an Enterprise agreement with Microsoft to procure office automation tools (Microsoft Office, MS Teams, Share Point etc.). These licenses have been distributed to field offices.

6.3 Centre for Data Management and Analytics (CDMA)

CDMA serves as a nodal point for assisting field audit offices in carrying out data analysis for selected audit assignments. Various tools for audit planning and audit execution are centrally procured and distributed. IDEA and Tableau are currently the major software tools in this category. CDMA has started leading a few audit assignments as pilots in addition to supporting field audit assignments. CDMA also conducts trainings and handholds field offices regularly in relation to using various data analytics tools.

6.4 Initiatives to enable work from home during lockdown

CTO Wing took various initiatives to minimize disruption and to ensure continuity of critical work in the IA&AD offices during the COVID-19 pandemic. A few such initiatives are as follows:

• IA&AD in-house Accounts and Entitlement applications (like VLC, Pension, Gazetted Entitlement) are old applications and were accessible through the local intranet only. IS Wing with the support of NIC has implemented a solution for making these A&E applications remotely accessible.

• All IA&AD offices have been encouraged to adopt the use of eOffice application, which provides a digital platform for processing office files. Necessary VPN licenses have been provided for remote access to the eOffice application.

• Microsoft Team licenses were procured and distributed to IA&AD personnel to facilitate video conferences, conduct online trainings and hold live events/webinars. Trainings for using these applications were also provided.
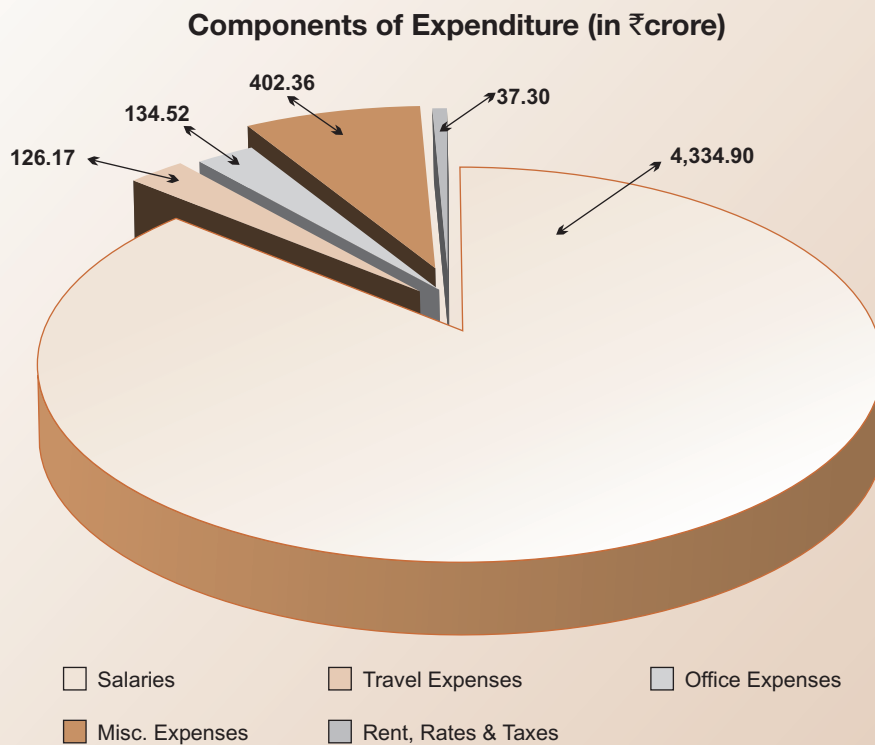
CHAPTER 7

How We
Manage Our Resources

7.1 Financial Management - Components of Expenditure

We spent ₹5,035.25 crore in 2020-21. A major share of total expenditure (88.59 *per cent*) was incurred directly on our human resources – 86.09 *per cent* on 'Salaries' and 2.51 *per cent* on 'Travel'. Component wise details of expenditure are given below:

Components of Expenditure (in ₹crore)

134.52
402.36
126.17
37.30
4,334.90

☐ Salaries ☐ Travel Expenses ☐ Office Expenses
☐ Misc. Expenses ☐ Rent, Rates & Taxes

7.1.1 Expenditure pattern on functional basis

Civil Audit Offices accounted for the largest share of expenditure followed by Civil Accounts Offices.

Overall we spent about 62.95 *per cent* on Audit (excluding Headquarters). The total expenditure on the Civil Accounts Offices was approximately 32.16 *per cent*.

Category of office	Actual Expenditure (₹in crore)	Percentage of Expenditure
Headquarters office	164.33	3.26
UN Audit (Office of Directors of External Audit at UN New York, WHO-Geneva and FAO-Rome)	4.97	0.10
Overseas Audit offices	23.13	0.46
Civil Audit Offices	2,426.18	48.18
Finance & Communication Audit Offices	143.12	2.84
Railway Audit Offices	255.79	5.08
Defence Audit Offices	114.21	2.27
Commercial Audit Offices	203.50	4.04
NAAA Shimla	14.86	0.29
iCISA, NOIDA	9.96	0.20
Regional Training Institutes	42.21	0.84
Departmental Canteen	13.90	0.28
Civil Accounts offices	1,619.09	32.16
Total	**5035.25**	**100**

## 7.2 Human Resources Management

People are our key assets as we are a knowledge based organization. ISSAI 40 prescribes that the SAI should establish policies and procedures designed to provide it with assurance that it has adequate number of competent and motivated staff to discharge its functions effectively.

Our manpower is broadly classified into four categories:

Category	Numbers of Officers/Staff (as on 1 March 2021)
IA&AS	593
Supervisory Cadre	17,148
Audit & Accounts Staff	21,513
Multi-Tasking Staff	3,864
Total	**43,118**

Against a sanctioned strength of 59,154, 71.89 *per cent* of the staff is presently working in the Department. In IA&AD, 41.15 *per cent* people are at different managerial and supervisory levels and 49.89 *per cent* people constitute audit and accounts staff. Only 8.96 *per cent* of the total strength provides support function.

Our People

- IA &AS
- Supervisory Cadre
- Audit & Accounts Staff
- Multi Tasking Staff
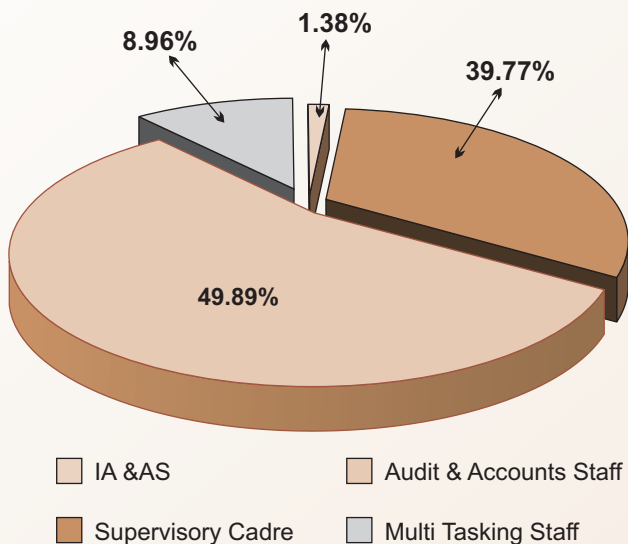
Indian Audit & Accounts Service (IA&AS)- Officers are recruited through Union Public Service Commission. The top, senior and middle management levels of IA&AD are manned by officers from this service. In addition, Senior Audit/Accounts Officers are also inducted into this service by promotions. They constitute the Group A service in Government of India.

Supervisory Cadres-The Gazetted supervisory cadre consists of Senior Audit/Accounts Officers (Group A-Gazetted), Assistant Audit/Accounts Officers (Group B-Gazetted) and Supervisors (Group B Non-Gazetted). They form the critical operational management in our hierarchy. Assistant Audit /Accounts Officers come through either the direct recruitment process or are promoted to the cadre after passing all India departmental examinations popularly known as the Subordinate Audit/Accounts Services Examination. They are recruited directly by the Staff Selection Commission.

Audit & Accounts Staff-Data Entry Operators (DEOs), Clerks, Auditors / Accountants and Senior Auditors/Senior Accountants and Assistant Supervisors form this cadre and constitute 50 *per cent* of our total manpower. They are recruited by the Staff Selection Commission or promoted from feeder cadre.

Multi-Tasking Staff-All support functions in various IA&AD offices are carried out by multi-tasking staff.

7.2.1 Qualifications

The IA&AS cadre has 13 doctorates, 280 post graduates and 300 graduates. Out of them 87 are professionally qualified[13] officers. Officers and staff in the non-IA&AS cadre of Group 'A', 'B' & 'C' are also well qualified. We have 40 doctorates, 3,137 professionally qualified personnel, 4,823 post graduates and 22,912 graduates in these cadres.

7.2.2 Recruitments

Optimal staffing in the field offices continued to be a focus of the department during 2020-21. Requisitions placed with Staff Selection Commission for direct recruitment to the posts of Assistant Audit Officers, Divisional Accountants, Junior Hindi Translators, Auditors, Accountants, Stenographers have materialized during 2020-21. This resulted in addressing the deficiency in Group 'B' and 'C' cadre to a large extent.

- We recruited 1,520 persons in 2020-21. The largest number of recruitments took place for Divisional Accountants (600), Assistant Audit Officers (599), Auditors (200), Junior Translators (81) and Stenographer (40).

- Consultants were appointed on specific requirement basis so that the working in the field offices is not affected due to shortage of staff, if any.

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[13]*Engineers, Doctors, MBA, CA, ICWA, CFE, CIA, CISA etc.*

7.2.3 Gender Balance

The table below shows the gender profile of the Department in different cadres.

Category	Women	Men	Percentage of women
IA & AS	171	422	28.84
Supervisory Cadre & Audit / Accounts Staff	6,241	32,420	16.14
Multi-Tasking Staff	556	3,308	14.39
Total	**6,968**	**36,150**	**16.16**

7.3 Efforts to promote Rajbhasha

7.3.1 Publications

During 2020-21, four issues (131st-134th) of the quarterly *patrika of Rajbhasha* section (Headquarters office), "*Lekha Pariksha Prakash*", were published. Special attention was given to the quality of the content related to promotion of the Official Language as well as compositions of the magazine as per the norms fixed by *Rajbhasha Vibhag,* Ministry of Home Affairs, Government of India. The 132nd edition of "*Lekha Pariksha Prakash*" was inaugurated as *E-patrika* by the CAG on 14 September 2020. Three versions of E-patrika i.e. 132nd, 133rd, 134th have been published till date. Some previous editions (128th-131st) of this *Patrika* have been uploaded on the official website of CAG. Field offices are also regularly publishing their own Rajbhasha Magazines to promote the official language.

7.3.2 Implementation of Official Language

a) Under the chairmanship of the Deputy Comptroller & Auditors General/Additional Deputy Comptroller & Auditors General, four Quarterly meetings were conducted to review the progress of Official Language in the CAG office as per the orders/instructions of the

While the proportion of women was 16.14 and 14.39 *per cent* in case of supervisory cadre and Multi-Tasking Staff respectively, it was higher in IA&AS at 28.84 *per cent*.

7.2.4 Staff Associations

We have 220 Staff Associations and five All India Federations representing audit and accounts staff and supervisory cadres. State level meetings were periodically held by the Principal Accountants General/Accountants General with the concerned field level Service Associations.

Department of Official Language, Ministry of Home Affairs. Due to pandemic situation, all meetings were conducted online.

b) As per the Annual Programme of the Government of India, Department of Official Language, Ministry of Home Affairs for the year 2020-21, a workshop was organized in CAG office to create an encouraging atmosphere for the implementation of the Official Language Policy and to reduce the hesitation of officials in doing Government work in Hindi. 39 officers/staff participated in this workshop.

c) In order to promote usage of Rajbhasha, '*Hindi Pakhwada*' was organized from 14 to 28 September 2020 in CAG office. During this period, various competitions like Noting & Drafting, *Shrutlekh,* Essay Writing in Hindi, etc., were organized online. More than 90 officials participated in the competitions. The *Hindi Pakhwada* was also organized successfully in the field offices. This helped in creating awareness and enthusiasm in the employees towards implementation of the Official Language.

d) The progressive use of Hindi in Central Government offices is reviewed by a Committee of the Parliament on Official Language. In the year 2020-21, inspections of the following offices were conducted by the Sub-Committee of Parliament on Official Language:

- Director General of Audit, Northern Railways, New Delhi

- Director General of Audit (Home, Education and Skill Development), New Delhi

- Principal Director of Audit (Infrastructure), New Delhi

e) Annual meeting of Central official Language Implementation Committee is conducted by the Department of Official Language (Ministry of Home Affairs) in order to review the compliance of the Official Language Acts/rules etc. The Committee's 42nd Annual Meeting was organized in November 2020 by the Department of Official Language (Ministry of Home Affairs) and this office was represented by the Principal Director (Rajbhasha) in this meeting.

f) Quarterly Progress Reports of our office were submitted to Department of Official Language online in each quarter within the target dates by Rajbhasha Section of CAG office.

7.3.3 Inspection of Field offices and Sections of Headquarters

As per the target prescribed by Department of Official Language (Ministry of Home Affairs) in its Annual Programme, a minimum of 25 *per cent* of field offices and Sections in CAG office are required to be inspected every year by Rajbhasha Section of the office. During 2020-21, 60 field offices and 15 sections of CAG office were inspected by Rajbhasha Section of CAG office. The inspections were conducted online for all the selected field offices.

7.3.4 Translation

As required under section 3(3) of the Official Language Act, the following documents were duly translated in Hindi before dissemination:

(a) Audit Reports laid before the Houses of the Parliament.

(b) Performance Report, press communiques, general orders, rules, contracts, agreements and tender notices.

7.3.5 Promotion of Rajbhasha through E-Office

For keeping data stored in a digital format and promoting a paperless system, eOffice in Hindi was introduced in *Rajbhasha* Section from August 2019. In this system, all the official correspondence is being made in Hindi and all documents are being written in Official Language to promote the usage of *Rajbhasha.*

7.3.6 Appraisal by Department of Official Language (Ministry of Home Affairs)

- An article written by a retired officer of our Department in Hindi magazine "*Lekha Pariksha Prakash"* was awarded the 1st prize of *"Gaurav Puruskar".*

- As per the direction of the Department of Official Language, Ministry of Home Affairs, the *Rajbhasha* Section of CAG office added more than 5,000 TM (Translation Memory) to the *Smriti* based translation tool *"KANTHSTHA",* for which the names of two personnel of the *Rajbhasha* Section were listed in the appreciation list of the Department of Official Language in September 2020.

7.3.7 Functioning of *Rajbhasha* Section during COVID-19 pandemic

During the COVID-19 pandemic, various digital modes were successfully adopted to conduct the work of *Rajbhasha* Section such as digital file system, e-magazine publication, online inspections, online quarterly meetings, online workshop etc. Adopting various digital modes of working in *Rajbhasha* Section during the pandemic not only helped in achieving the targets of the section but also increased the efficiency and effectiveness of *Rajbhasha* Section to promote the Official Language.

7.4 Infrastructure development

To augment office space as well as residential units for the use of IA&AD personnel at various stations all over India, several building projects have been taken up as detailed below:

A. The following projects were completed during the year:

Itanagar-AG office building

B. The following projects are under construction:

1. Shimla-Restoration work of Gorton Castle building.

2. Bangalore-Construction of office building at H. Siddaiah Road.

3. Bhubaneswar-Construction of office building at Kesarinagar.

4. Mumbai-Construction of residential complex at Bhandup.

5. Jaipur-Construction of Type-III quarters at Bajaj Nagar.

6. Ranchi-Construction of Sports complex.

7. Ranchi-Construction of office building.

C. The following projects are at the planning stage:

1. Kolkata-Construction of residential complex at Ultadanga.

2. Aizawl-Construction of residential complex.

3. Patna-Construction of office cum Residential Complex at Gardanibagh.

4. Amravati-Construction of office-cum-Residential Complex.

5. Imphal-Construction of additional quarters.

6. Puri-Restoration of Dhenkanal House.

7. Thiruvananthapuram-Construction of residential quarters

8. Shimla-Repair, Rehabilitation and strengthening of Chadwick House.

9. Goa-Construction of Annexe building.

CHAPTER 8

Capacity Building in IA & AD

8.1 Introduction

The IA&AD strives to constantly upgrade its professional skills and expertise by means of its robust training capacity that cuts across Group A, B & C personnel. The training strategy is oriented towards supporting and strengthening the personnel in the performance of their roles and creating value through delivery of training and knowledge sharing. The mission is ***"To enhance professional and institutional development".***

8.2 Capacity Building in IA&AD

Capacity building involves intensive training and knowledge sharing, and is the responsibility of the Training Wing of SAI India. The objectives of capacity building are:

- Improving domain knowledge and its translation into training material

- Knowledge and information sharing

- Improving teaching and learning environment

- Improving learning outcomes

8.3 Training Institutes of IA&AD

The training infrastructure of the department comprises three Central Training Institutes, 10 Regional Training Institutes and two Regional Training Centres.

8.3.1 National Academy of Audit and Accounts, Shimla

The National Academy of Audit and Accounts (NAAA) is the apex training institute of the IA&AD, mandated primarily to conduct the induction training

of the Officer Trainees of the Indian Audit & Accounts Service (IA&AS) recruited through the Civil Services Examination conducted by the Union Public Service Commission. This induction training is also attended by two participants from the Royal Audit Authority, Bhutan.

NAAA facilitates in nurturing the new recruits into a cadre of competent officers, well-versed with contemporary best practices in the field of auditing, accounting, public administration and good governance. NAAA also offers mid-career and in-service training to IA&AS officers and the officers of other departments. NAAA also carries out specialized programmes for All India Services and Central Services such as the Indian Civil Accounts Service, Indian Defence Accounts Service, Indian Railway Accounts Service, Indian Railway Traffic Service, Indian Postal Service etc. From 2020, NAAA has also started a course for senior army officials looking after finance functions of Indian Army.

During 2020-21, NAAA has conducted various phases of induction training programme for IA&AS Officer Trainees of 2018, 2019 and 2020 batches in which 69 IA&AS Officer Trainees and 6 Bhutanese Officers were trained. Amid COVID-19 lockdown and restrictions, NAAA also conducted four in-service training programmes for 60 IA&AS officers.

8.3.2 International Centre for Information Systems and Audit (iCISA)

The iCISA at NOIDA was established in March 2002 and is an ISO 9001:2008 and ISO 27001 certified institution, which strives for ensuring quality systems in training and alignment of IT audit with global best

practices. iCISA is a designated Global Training Facility of the INTOSAI Working Group on IT Audit.

iCISA is mandated to impart quality training to officers of IA&AD. In addition, the Centre trains senior officers from various services *viz*. Indian Administrative Service, Indian Forest Service, Armed Forces, Parliament Secretariat and Central Autonomous Bodies, as well as other SAIs.

iCISA's mandate extends to capacity building in the area of Information Technology and e-Governance. iCISA collaborates with institutions and agencies such as Information Systems Audit and Control Association (ISACA) India chapter, leading audit firms, Indian Computer Emergency Response Team (CERT-In), Data Security Council of India (DSCI) and Standardization, Testing and Quality Certification (STQC) Directorate of Ministry of Electronics & Information Technology. An MoU has been signed with STQC Directorate for capacity building on Information Systems Security for IA&AD officials.

iCISA conducts International Training Programmes which are of four-week duration. The Ministry of External Affairs provides scholarships for these programmes under the Indian Technical and Economic Co-operation (ITEC). The broad objectives of these programmes are:

- To promote bilateral co-operation between the Government of India, which funds these training programmes, and other Governments;

- To provide a platform at the International level for various SAIs to come together and share their ideas and experiences in various fields of audit; and

- To provide an opportunity to participants from different SAIs to get an exposure to contemporary best practices in audit and focus on emerging audit concerns.

Senior and middle level officers from various SAIs and officers of Governments of countries in Africa, Central Asia, South East Asia, Far East, Middle East, Pacific and East European region have participated in these international training programmes.

iCISA contributes to capacity building of other SAIs under Bilateral Training Programmes. The Centre has designed and delivered customized training programmes for participants from several countries *viz.* Afghanistan, Bhutan, Chile, Eswatini, Iraq, Maldives, Nepal, Oman, Uganda and Vietnam. The bilateral training programmes are an effective instrument for deepening ties between the SAIs and respective countries.

During 2020-21, iCISA conducted four e-ITEC (Online) International training programmes attended by 59 international participants on the following topics as per requests received from SAI Maldives and SAI Eswatini:

- Performance Audit (2 batches)
- Compliance Audit (2 batches)

Besides international trainings, iCISA conducted 13 national training programmes in which 244 participants were trained.

8.3.3 International Centre for Environmental Audit & Sustainable Development (iCED)

iCED at Jaipur was established in May 2013. The building was conceived as a green building with an aim to achieve Green Rating for Integrated Habitat Assessment (GRIHA). iCED has been recognized as the Global Training Facility of the INTOSAI on Environment Audit. During 2020-21, iCED conducted two International Training Programmes and two International Workshops for 278 international participants. It also conducted 13 in-service training programmes and 3 seminars for 371 officers in the field of Environment Audit.

iCED provides hand holding sessions for conducting environment audits wherein it assists audit teams in selection of criteria, identifying audit objectives, identifying sources of data and participating while establishing criteria-condition-cause-conclusion-recommendation trail to ensure that the reports are comprehensive and reflect the big picture. iCED, through its institutional partnerships, has brought together expertise from various fields to facilitate an inter-disciplinary approach in auditing.

Publications

- iCED releases a quarterly newsletter "Green Files" by combining inputs from various Environmental audit reports which is greatly appreciated in IA&AD and outside.
- iCED has updated the Risk Assessment Framework for Environment Audit within IA&AD.
- iCED has linked Sustainable Development Goals (SDGs) with Union Budget 2020-21.

8.3.4 Regional Training Institutes/Centres

IA&AD has 10 Regional Training Institutes (RTIs) and two Regional Training Centres (RTCs) located across the country to provide extensive training in Accounts, Audit, Administration, Management and Information Technology for Senior Audit/Accounts Officers, Group B and C cadres of the IA&AD. The institutes are located in Allahabad, Chennai, Hyderabad, Jaipur, Jammu, Kolkata, Mumbai, Nagpur, Ranchi, and Shillong. Two RTCs are located in Bengaluru and Delhi.

In-house Training: Field offices also organize in-house training programmes of short duration to meet office specific requirements for capacity building.

8.3.4.1 Training Activities at RTIs/RTCs/In-house Trainings:

During 2020-21, RTIs/RTCs conducted 510 courses and trained 14,714 officers. 140 Offices conducted 174 In-house training courses and trained 8,781 officers. Due to the COVID-19 pandemic and the orders issued by the respective State Governments, many of the field offices remained shut down and were unable to conduct the in-house training programmes.
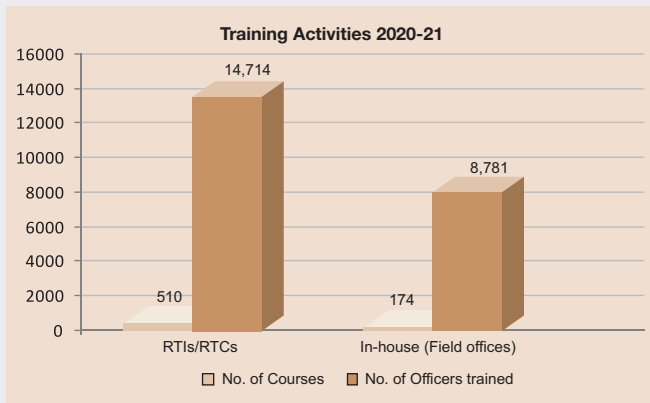
These training courses were conducted on various subjects such as

- Audit of e Governance,
- Audit of Public Private Partnership (PPP) and Contract Management,

- IPSAS,
- Data Analytics,
- Database Administration (DBA) for Oracle 11g,
- Cyber Security and Frauds,
- Goods and Services Tax,
- Auditing in IT Environment,
- Audit of Social Sector Schemes,
- Anti-fraud framework and Digital Forensics and
- Induction training to Direct Recruit Assistant Audit Officers.

8.3.5 Designated Knowledge Centres

Each RTI/RTC is assigned a specific area of specialization. The RTIs/RTCs function as Knowledge Centres in respect of specific areas of specialization assigned to each of them. As Knowledge Centres, the RTIs/RTCs prepare Structured Training Modules (STMs), Case Studies and other training materials on topics pertaining to the areas of specialization. They conduct All India Training Programmes in the area of specialization allotted to them.

8.4 Training Methodology and Processes

i. **Central Training Advisory Committee** (CTAC) annually reviews all training activities and programmes in the Department to ensure an integrated approach to training. The training calendars of NAAA, iCISA and iCED are reviewed in-depth to ensure focus, quality and relevance. CTAC also oversees the work of Regional Advisory Committees of the Regional Training Institutes.

ii. **Training Needs Analysis** is the first step towards a methodical approach to training and is

carried out annually for effective designing of courses, implementation & evaluation of training. This analysis also helps determine which new or different skills are needed to meet the latest challenges.

iii. **Structured Training Modules** are used by all the training institutes to disseminate training, which are regularly updated and peer reviewed. The content for training modules is developed by a team of officers who are subject matter experts.

As on 31 March 2021, 64 STMs have been developed, peer reviewed by IA&AS officers and disseminated to RTIs/RTCs for training purposes. Following STMs were developed during 2020-21:

- e-Procurement

- Consolidated Financial Statements of Companies

- Special features of Non-Banking Financial Companies, Banks and Insurance Companies.

iv. **Development of Case Studies/Research Papers:** Case studies are powerful and practical tools for adult pedagogy. The case study method creates a classroom in which students learn not by simply absorbing facts and theories, but also by exercising the skills of analysis, synthesis, leadership and team work in the face of real issues.

A workshop was conducted in conjunction with Indian Institute of Management, Ahmedabad and Indian School of Business, Hyderabad, on preparation of case studies. Detailed guidelines were issued to all RTIs/RTCs in November 2017 on how to develop and prepare case studies, along with model case studies on Ethics and Moral Values, Business Process Re-Engineering

and Gender Sensitization. Following case studies/ Research Papers were developed during 2020-21:

- Application of Accounting Standard 10 in Autonomous Bodies

- Irregular Financial Reporting of Grants and Income in an Autonomous Body

- Activities of Atomic Energy Regulatory Board

- Performance Audit on the Design, Development, Manufacture and Induction of Light Combat Aircraft

- Preparedness for Disaster Management in Himachal Pradesh

- Loss due to Non-Compliance of Safety Standards

- Discriminatory Rates of Land Allotment

- Review on the Induction and exploitation of 'A' a Long Range Maritime Reconnaissance Anti-Submarine Warfare Aircraft

- Research Paper/ Project on Data Analytics & Artificial Intelligence–audit of e-procurement

- Research Paper/Project on Hostel Management System

8.5 Performance Monitoring Framework

Considerable resources were allocated to the RTIs for modernizing and upgrading their infrastructure as per the Roadmap. The upgradation requires a proper monitoring system in place. To address this, a Performance Monitoring Framework (PMF) with quantitative parameters was designed for RTIs and introduced in 2015-16. The PMF envisages to internalize and institutionalize excellence by linking RTIs internal processes to stakeholders'

expectations, ensuring a quality learning environment and necessary facilities to effectively impart training as well as function as knowledge centers. The scores allotted by the RTIs and its user offices are verified by conducting physical inspection of the RTIs. The PMF exercise could, however, not be taken up for the years 2019-20 and 2020-21 due to COVID-19 pandemic.

8.6 Career Milestone Training for IA&AS Officers at institutions of repute

The Mid Career Training Programme (MCTP) for Group 'A' officers was revised as per DoPT orders issued in May 2016. Currently it includes:

i) **Executive Development Programme for IA&AS Officers with 7-9 years of service at Indian Institute of Management, Bengaluru** to enhance understanding of public policy and finance issues, strengthen analytical tools and management acumen.

ii) **Management Development Programme for IA&AS Officers with 14-16 years of service at Richard & Rhoda Goldman School of Public Policy, University of California, Berkeley and Indian Institutes of Management,** **Ahmedabad** to widen exposure and technical inputs, strengthen analytical tools, management acumen, and interpersonal skills.

iii) **Advanced Management Development Programme for IA&AS Officers with 26 – 28 years of service at Indian School of Business, Hyderabad** to widen exposure to multi-dimensional issues faced by senior managers including policy development, performance management, organizational design, negotiation and leadership.

MCTPs were, however, not organised during 2020-21 due to COVID-19 pandemic.

8.7 Special achievements of Training Wing in 2020-21

Capacity Building has been the core activity of Training Wing and the following milestones were achieved during 2020-21:

• Developed training modules for mandatory trainings for entry cadres like Divisional Accountant, Auditor, Accountant, Junior Hindi Translator, Stenographer Grade II, DEO-Grade A and Clerk.

• Developed training modules for mandatory trainings for promotion to the next cadre i.e. Assistant Audit/Accounts Officer to Senior Audit/Accounts Officer and Senior Accountant /Senior Auditor to Assistant Supervisor.

• Developed a six weeks training module to provide induction training to departmentally promoted Assistant Audit/Accounts Officers.

• The scheme of hiring of Academicians/ Experts/ Research Associates for iCED/iCISA and CEDAR was implemented.

• SAI Training Application was designed and developed by the technical team at RTC Bengaluru. This application has been designed to automate the entire training process in IA&AD, starting from sharing Training calendar with offices, to nomination of employees for various courses, creating course schedule for each course and making them available to participants, and finally feedback and course valediction.

8.8 External Trainings for Senior Audit/Accounts Officers/Assistant Audit/ Accounts Officers

During 2020-21, Training Wing organised eight online trainings at OP Jindal Global University and trained 182 officers (Senior Audit/Accounts Officers/Assistant Audit/Accounts Officers). These trainings were conducted on the topics 'Financial Management', 'Anti-fraud and Forensic audit', 'Training Needs Analysis', 'Train the trainers' and 'Stress and Anxiety Management'. The courses are designed by the university in close coordination with Training Division and customized to our requirements.

CHAPTER 9

Our International Participation and Contribution

SAI India is a key player and a major contributor to development of auditing standards, guidance and practices in the international community. The International Relations Division at Headquarters is responsible for audit of international organizations as well as interaction with international bodies and other SAIs, as detailed below:

a. International Organization of Supreme Audit Institutions (INTOSAI)

b. Asian Organization of Supreme Audit Institutions (ASOSAI)

c. Bilateral relations with other SAIs

d. Various international multilateral bodies/forums

9.1 Audit of International Organizations

9.1.1 United Nations Board of Auditors

CAG was a member of the United Nations Board of Auditors (UNBOA) for the period July 2014 to June 2020. Our term ended on 30th June 2020. China became a new member with effect from 1st July 2020. Germany and Chile are the other members of the Board. As per the work allocation among the three members of the Board, SAI India was the lead auditor in respect of following United Nations (UN) organizations/functions:

i. UN Secretariat (Volume I)

ii. UNICEF (United Nations Children's Fund)

iii. UNOPS (United Nations Office for Project Services)

iv. UNCC (United Nations Compensation Commission)

v. ITC (International Trade Centre)

vi. UMOJA (ERP system of UN)

vii. Information & Communication Technology Strategy (ICT)

Besides above, SAI India had following six Peace Keeping Operations (PKO) Missions under its audit portfolio, where SAI Germany was the lead auditor:

i. MINUSTAH (United Nations Stabilization Mission in Haiti)

ii. UNIFIL (United Nations Interim Force in Lebanon)

iii. UNMIK (United Nations Interim Administration Mission in Kosovo)

iv. UNDOF (United Nations Disengagement Observer Force)

v. UNFICYP (United Nations Peacekeeping Force in Cyprus)

vi. MINURSO (United Nations Mission for the Referendum in Western Sahara)

9.1.2 World Health Organization (WHO)

CAG has been appointed as External Auditor of WHO and its five Non-Consolidated hosted entities for the period 2020-2023 starting from the financial period ended December 2020. WHO is a specialized agency of the UN that is concerned with international public health and is headquartered in Geneva, Switzerland. The six organizations, including five Non-Consolidated entities, under CAG's audit are:

i. World Health Organisation (WHO);

ii. Staff Health Insurance (SHI);

iii. International Agency for Research on Cancer (IARC);

iv. Joint United Nations Programme on HIV/AIDS (UNAIDS);

v. International Computing Centre (ICC); and

vi. UNITAID (Global health initiative that works with partners to bring about innovations to prevent, diagnose and treat major diseases).

Six audit teams were deployed for conducting Financial, Performance and Compliance audit of WHO Headquarters, its Regional/Country offices and its Non-Consolidated Entities. These audits commenced in a remote manner from October /November 2020 onwards and concluded in March 2021.

9.1.3 Food and Agriculture Organization (FAO)

CAG has been appointed as External Auditor of FAO for the period 2020-2025, starting from financial period in December 2020 FAO is a specialized agency of UN that leads international efforts to defeat hunger and is head quartered in Rome, Italy.

Five audit teams were deployed for conducting Financial, Performance and Compliance audit of FAO Headquarters and its Regional/Country offices. These audits commenced in a remote manner from October/November 2020 onwards and concluded in June 2021.

9.1.4 Inter-Parliamentary Union (IPU)

CAG has been appointed as External Auditor of IPU for three years from 2020 to 2022, starting from the financial period which ended in December 2020. IPU is the global organization of national Parliaments. It empowers Parliaments and parliamentarians to promote peace, democracy and sustainable development. One audit team was deployed for the audit of IPU. Audit was conducted in a remote manner in February 2021.

9.2 Major events involving the active participation of SAI India

9.2.1 Meetings of UNBOA

Mr. Rajiv Mehrishi, the erstwhile CAG, along with the other Board members, Mr. Kay Scheller, President of the German Federal Court of Auditors and Mr. Jorge Bermúdez Soto, Comptroller and Auditor General of the Republic of Chile, approved 25 UN Audit Reports for the financial year 2019 in the Session held virtually on 21 July 2020 due to COVID-19 pandemic. The reports covered important UN bodies *viz.* UNICEF, UNDP, UNHCR, UN-WOMEN, UNOPS, UMOJA (UN ERP system), ICT (UN-information & Communication Technology Strategy), UNJSPF and UN Headquarters Volume I among others. All these reports have been presented to the UN General Assembly and to other governing bodies.

9.2.2 UN Panel of External Auditors

Mr. Girish Chandra Murmu, CAG of India, held the position of the Chair of UN Panel of External Auditors for the year 2020, and was re-appointed as Chair of UN Panel for the year 2021. The Panel comprises the members of the UNBOA and external auditors of the

specialized agencies of UN and International Atomic Energy Agency. The main objectives of the Panel are to further the co-ordination of the audits for which its members are responsible, and to exchange information on audit methods and findings.

As per the planned schedule, meeting of the Technical Group and Session of the UN Panel was originally scheduled to be held at Paris on 25 to 27 November and 30 November & 1 December 2020, respectively. This was postponed in view of COVID-19 pandemic. However, a virtual meeting of Technical Group was held on 27 November 2020.

As Chair of the UN Panel of External Auditors, CAG has been closely associated with its activities in implementing standards, best practices and guidance in the area of audit of International Organizations. Through a key role in the Panel, SAI India continued to ensure that our audit work adds value to the management of our client organizations, contributing to their increased efficiency and effectiveness. CAG has led the Panel as a distinctive forum to support the delivery of high quality audit assurance, to ensure that reported financial information provides a transparent and accurate basis for the financial decisions made by UN and its specialized agencies.

9.3 INTOSAI

INTOSAI operates as an umbrella organization for the external government audit community. Founded in 1953 at the initiative of Emilio Fernandez Camus, the then President of the SAI of Cuba, INTOSAI has 195 full members and five Associated Members and one Affiliate member. It has provided an institutionalized framework for SAIs to promote development and transfer of knowledge, improve government auditing worldwide and enhance professional capacities, standing and influence of member SAIs in their respective countries. INTOSAI is an autonomous, independent and non-political organization. It is a non-governmental organization with special consultative status with the Economic and Social Council (ECOSOC) of UN. INTOSAI's motto is, 'Mutual Experience, Benefits All'.

INTOSAI has four main Committees which are the vehicles for achievement of its four strategic goals. These Committees are:

1. Professional Standards Committee (PSC)

2. Capacity Building Committee (CBC)

3. Knowledge Sharing and Knowledge Services Committee (KSC)

4. Policy, Finance and Administration Committee (PFAC)

9.3.1 Involvement with INTOSAI

CAG of India is the Chair of the INTOSAI Committee on Knowledge Sharing and Knowledge Services –

Goal 3 (KSC) and its Steering Committee. By virtue of this, CAG is also a member of the Governing Board of INTOSAI. There are twelve Working Groups under the umbrella of the KSC. The Working Groups are devoted to preparing guidance and best practices on audit of specialized areas. The KSC main committee has 125 members and 2 observers. The KSC Steering Committee consists of Chairs of all Working Groups and project groups under KSC and Chairs of PSC and CBC. The Steering Committee has 5 observers viz. INTOSAI General Secretariat, INTOSAI Development Initiative (IDI), INTOSAI Journal for Government Auditing (IJGA), the Chair of the Forum for INTOSAI Professional Pronouncements (FIPP) and SAI of Malaysia.

- FIPP is responsible for the content and quality of professional pronouncement of INTOSAI, i.e. INTOSAI Framework of Professional Pronouncements. SAI India has nominated a member to this forum and actively engages with this forum in providing and maintaining the contents of the IFPP.

- CAG is the chair of the INTOSAI Working Group on IT Audit (WGITA). The Group was created in 1989 to address the interests of SAIs in the area of IT Audit. WGITA aims to support SAIs in developing their knowledge and skills in the use and audit of IT. Presently, WGITA has 53 members, including SAI India, and five observers.

- CAG has also taken over the responsibility of chairing the INTOSAI's Compliance Audit Sub-committee under Goal 1. This sub-committee was established in 2004 with the objective of developing and disseminating high quality, globally accepted standards and guidelines for compliance audit in the public sector.

- CAG is a member of various INTOSAI Committees/Sub-committees/Working Groups / Task Forces.

- **Knowledge Sharing Platform:** In order to facilitate continuous interaction in the INTOSAI community, SAI India, as the KSC chair, has developed an INTOSAI Community Portal. The portal has facilities like Community of Practice, Blogs, Chats, Library, Video Conferencing, Polls/survey, etc., to enable better communication and sharing of ideas amongst member SAIs. The INTOSAI Community Portal has been revamped to consolidate the website of KSC and its 12 working groups making it a single window for accessing information and a central repository of information for the INTOSAI. Apart from this, the portal also contains separate sections on messages from Head of SAIs, News items and Calendar, which are being updated regularly. The Portal presently hosts about 18 active Communities of Practice and Knowledge Centres consisting of various products developed in INTOSAI including good practices materials to assist the field level auditors of the SAIs. The vision of KSC is to make this portal a forum of regular interaction and discussion. The portal can be accessed at *www.intosaicommunity.net* or *www.intosaiportal.org.*

- **Knowledge Development:** CAG has continued with the work of knowledge development. KSC has already placed five pronouncements in the IFPP, *viz.* INTOSAI P-50 on Jurisdictional SAI, Guidance (GUID) on Audit of Information Systems, GUID on IT Audit, GUID on audit of key national indicators and GUID on auditing public debt, and GUID on auditing disaster management. Four more pronouncements comprising GUID on auditing privatization, auditing public private partnerships, Public procurement audit 62

Information Systems Security Audit are underway. Apart from these documents, KSC also brings out guidance/research papers outside the IFPP Framework. The 23rd International Congress of Supreme Audit Institutions (INCOSAI) in 2019 saw endorsement of 15 such Guidance/Research papers on various audit domains, Environmental audit, IT Audit, Value and Benefits of SAIs and Extractive Industries. 12 more Guidance and research materials on Environmental Audit, IT Audit, Big Data, and Public Debt are in process.

- **Research Projects:** CAG, as KSC Chair, encourages internal and external research projects in public audit. KSC conducts crosscutting research projects on the topics of mutual interest of INTOSAI community. The Research Paper on "Disaster Preparedness for Supreme Audit Institutions" was endorsed in the 23rd INCOSAI. CAG has continued this practice and under the current Work Plan, two research papers on "SAI Independence" and "Audit Communication and Reporting of Audit Results" are in process.

9.3.2 Some major events of INTOSAI involving the active participation of CAG of India

9.3.2.1 29thAssembly of INTOSAI WGITA – 16 October 2020 & 4 November 2020

Due to the prevailing COVID-19 Pandemic, the 29th assembly of INTOSAI WGITA was restricted to presentation of country papers by member SAIs on IT Audit related issues virtually in form of a webinar which was held on 16 October 2020. As part of this assembly meeting, SAI Hungary also conducted a webinar on "Strengthening Digital Awareness-IT Audit-Learning Audit Guidance" on 4 November 2020. CAG of India, as the WGITA Chair inaugurated both the events.

CAG, while elaborating the work done by WGITA as a Global forum for IT Audit and the technology and digital driven governance and service delivery in India, emphasised the need for continuously up skilling the public auditor to maintain relevance to the stakeholders.

Six SAIs presented their country papers on 16 October 2020 and six SAIs presented their experiences in the Webinar on 4 November 2020.

CAG of India delivering inaugural speech for WGITA webinar on 16 October 2020.

9.3.2.2 74th Meeting of the INTOSAI Governing Board – 10 November 2020

33 delegations of SAIs met virtually on the occasion of the 74th meeting of the INTOSAI Governing Board on 10 November 2020. The meeting was chaired by the SAI of the Russian Federation and moderated by the host of the meeting, the General Secretariat of INTOSAI. CAG of India, as Goal Chair of the INTOSAI KSC, presented the progress report of the KSC and its 12 working groups under the eight key strategies of the KSC and the five Crosscutting Priorities of INTOSAI as defined in the INTOSAI Strategic Plan 2017-22. He informed the Governing Board that despite the COVID-19 pandemic, the KSC working bodies were continuing with their knowledge dissemination activities by embracing online mediums and social media platforms. He also underlined that the facilities of the INTOSAI Community Portal *https://www.intosai community.net/* proved to be useful in this regard. CAG also highlighted the aspect of inclusivity. While elaborating on the steps taken by SAI India, as KSC Chair, on increasing the involvement of SAIs in the knowledge sharing and collaborative activities, CAG stressed that the success factor lies in not only how the SAIs benefitted, but also from the fact that how many of them were benefitted from the work of KSC and its Working Groups.
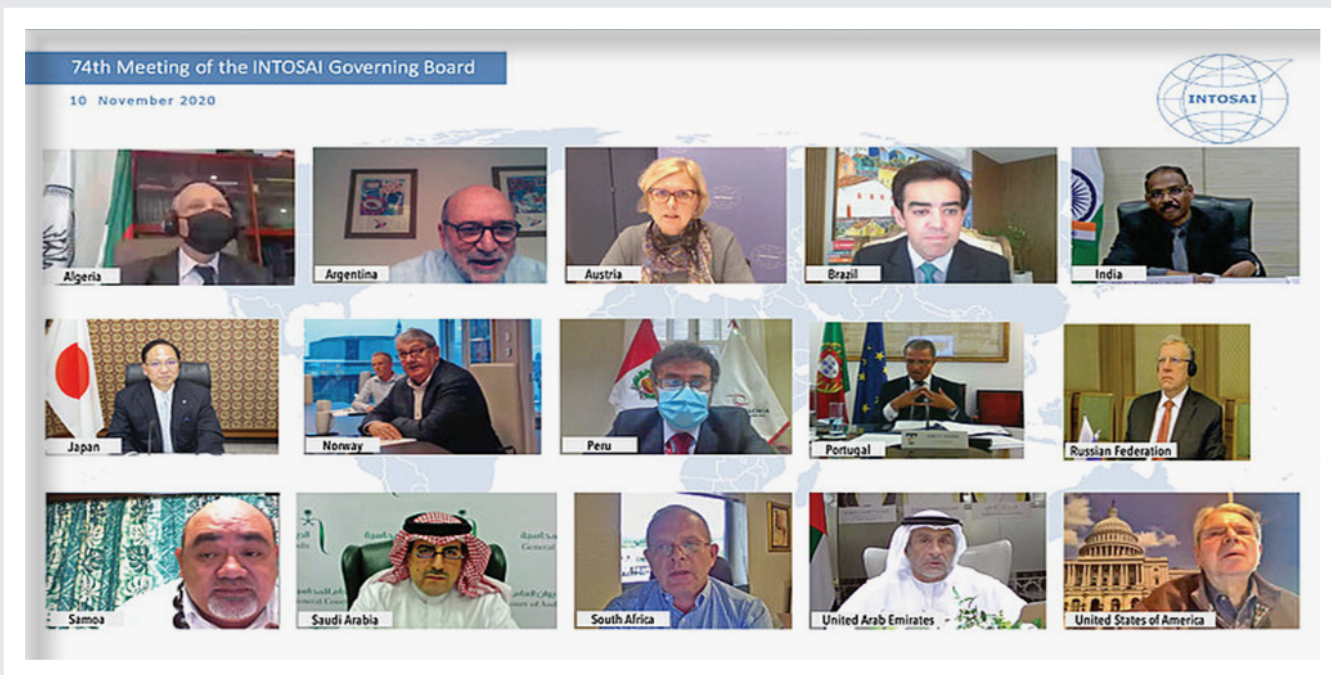
The Governing Board reached important decisions regarding the safeguarding of INTOSAI's operations during the COVID-19 pandemic and the way forward. Among them are the following:

- Approval of the following themes of the 24[th]INCOSAI to be hosted by the SAI of Brazil:

  - Theme I-"The work of Supreme Audit Institutions in the context of public calamities" and

  - Theme II-"Global voice, global outcome, far reaching impact"

- Approval of the SAI of the USA as Chair of Theme I and the SAI of Brazil as Chair of Theme II

- Taking note of the creation of the INTOSAI Digital University (U-INTOSAI) hosted by the SAI of the Russian Federation

- Taking into consideration the Supervisory Committee on Emerging Issues (SCEI's) recommendations regarding the continuity of INTOSAI's operations

- Approval of the amendments of the INTOSAI Handbook for Governing Board Meetings to endorse the procedures that had to be changed due to the COVID-19 pandemic

- Approval of the endorsement versions of ISSAIs 200 and 2000 and of the GUIDs 4900, 5250, 5330

- Approval of the appointment of Ms. Aicha Benbelhassen from the SAI of Tunisia as a member of the FIPP

- Taking note of several CBC products, including the occasional guide "The future-relevant value-adding auditor"

- Approval of the Guidelines of Standards for the Social Control of Public Funds developed by the Working Group on the Fight Against Corruption and Money Laundering

- Approval of an expert team led by the SAI of the UAE consisting of SAIs and representatives of the United Nations Office on Drugs and Crime (UNODC)

- Approval of the SAI of the UAE's continued cooperation with the UNODC on behalf of INTOSAI

- Taking note of the Abu Dhabi Declaration 2019 of the 8th Conference of the States Parties to the United Nations Convention against Corruption

9.3.2.3 17th meeting of the INTOSAI Compliance Audit Subcommittee (CAS)-23 November 2020

The 17th meeting of the INTOSAI CAS was held virtually on 23 November 2020. Apart from African Organization of English-speaking Supreme Audit Institutions and INTOSAI Development Initiative (AFROSAI–E and IDI), representatives from 17 SAIs also participated in the meeting. Owing to the current pandemic situation, which has disturbed the planned audit programmes and thrown up challenges to compliance with audit mandate of the SAIs, it was decided to hold the annual CAS meeting virtually, to facilitate sharing of experiences by CAS members about how they are coping with the challenging situation and the approach being followed in auditing COVID-19 initiatives of their governments. To that effect, the theme of the virtual meeting was 'Audit of COVID-19 efforts–a compliance audit perspective'.

CAG, as the Chair of CAS, welcomed the participants and delivered his opening remarks. CAG stated that SAIs have had to identify new delivery models and audit products due to the unexpected health emergency and re-assess the way audit is planned, conducted and results are reported. Therefore, he felt there was a need for sharing experiences among the members of CAS, of the work done during the last several months of lockdowns and limitations on movement and working environment, and lessons learnt in engaging with stakeholders.

Ms. Vani Sriram, Additional Deputy Comptroller & Auditor General and Acting Chair of CAS briefed CAS representatives about the activities of the subcommittee since the last meeting of CAS in 2019. Detailed presentations were made in this meeting on the theme of the meeting by SAIs of Azerbaijan, Brazil, European Court of Auditors, India, Norway and Romania. IDI also made a detailed presentation on audit of Transparency, Accountability and Inclusiveness of Use of Emergency Funding for COVID-19 (TAI Audits) and briefed the CAS representatives about this compliance audit initiative. The meeting concluded with Ms. Vani Sriram, Additional Deputy Comptroller and Auditor General and Acting Chair thanking members for their active participation and cooperation in making the 17th CAS meeting both fruitful and productive.

CAG of India, as the CAS Chair, delivering opening remarks for the 17th CAS meeting on 23 November 2020

9.3.2.4 Eighth International Training Programme on "Introduction to Environmental Auditing"– 7 to 11 December 2020

CAG inaugurated the 8th International Training Programme on "Introduction to Environmental Auditing" which was conducted online from 7 to 11 December 2020 at iCED Jaipur, which is the Global Training Facility of INTOSAI Working Group on Environmental Auditing (WGEA). The course was attended by 68 participants from 36 SAIs.

CAG of India delivering inaugural message for the 8th ITP on 7 December 2020.

9.3.2.5 Webinar on "Enterprise-wide Audit Process and Knowledge Management IT System (OIOS Project)" – 15 March 2021

As part of the WGITA initiative to hold quarterly webinars on IT Audit Topic under the Work Plan 2020-22, SAI India, as Project Co-Lead, hosted the 2nd quarterly webinar on the topic "Enterprise-wide Audit Process and Knowledge Management IT System (OIOS Project)" on 15 March 2021. CAG, as WGITA Chair, inaugurated the Webinar through a video message. The members were briefed about the features of "One IAAD One System" (OIOS), an application which is being developed indigenously to provide end-to-end web-based workflow automation of the audit process covering audit planning, programming field audit and reporting.

9.3.3 Other important events of INTOSAI which were attended by SAI India

9.3.3.1 KSC Steering Committee Resolves to Translate Commitments into actions–21 September 2020

The Steering Committee of the International Organization of Supreme Audit Institutions (INTOSAI) Knowledge Sharing and Knowledge Services Committee (KSC) met on 21 September 2020. Mr. Kulwant Singh, Principal Director (International Relations) presided over the meeting on behalf of CAG, who is the Chair of KSC.

The event was attended by 53 delegates representing Steering Committee members and observers. SAIs of the United Arab Emirates and Finland as Chairs of the Working Group on the Impact of Science and Technology and Working Group on Environmental Auditing participated in the meeting for the first time. The meeting reviewed the KSC reporting dashboard, which was approved to be presented to the 74th INTOSAI Governing Board; progress in developing INTOSAI Strategic Plan 2023-2028; and INTOSAI Community Portal updates.

The members were briefed of the intention of KSC Chair to carry out a survey to gauge user satisfaction on KSC deliveries. The meeting provided a valuable

CAG of India delivering his video message for the 2ⁿᵈ WGITA quarterly webinar held on 15 March 2021

opportunity to discuss and seek member support for KSC crosscutting priorities, such as the INTOSAI Community Portal and research projects, as well as IDI and SCEI activities. Considering the immense potential of the INTOSAI Community Portal, members agreed to contribute articles, blogs and news on a quarterly basis and promote the portal within working groups and SAIs.

Members remained committed to the KSC crosscutting research projects on "SAI Independence," led by SAI France, and "Audit Communication and Reporting of Audit Results". The meeting also noted the importance of IDI's program on "Cooperative Audit of Strong and Resilient National Public Health Systems" and SCEI COVID-19 Initiative and agreed to widely disseminate information about, participate in, and contribute to, both programs.

The meeting concluded with firm resolve from members to translate commitments into actions that deliver results.

9.3.3.2 Webinar held by INTOSAI Supervisory Committee on Emerging Issues–20 October 2020

The INTOSAI Supervisory Committee on Emerging Issues held the final webinar in the series of the

COVID-19 related webinars within the COVID-19 Expert Group on 20 October 2020, on the topic "INTOSAI online transition-COVID-19: how can organizations adapt to the new normal of teleworking".

The event was aimed at evaluating the experience of transition to remote work within INTOSAI and was joined by 120 SAI representatives. While the INTOSAI perspective was presented by the INTOSAI General Secretariat and PFAC, PSC, KSC and CBC Chairs and Vice Chair representatives, the SAIs Italy, Czech Republic and Pakistan shared their individual experience of participating in or organizing multilateral events in the time of the pandemic and adapting to the new conditions in general.

Mr. Kulwant Singh, Principal Director (International Relations) while highlighting the initiatives taken by SAI India both as KSC Chair and within the Department during the COVID-19 pandemic, also elaborated on how we dealt with the associated challenges, future focus areas and strategies to be adopted.

The members noted that apart from knowledge and experience sharing, the INTOSAI leadership has constantly been aware of the particular needs of individual SAIs. In order to provide financial support to SAIs that were affected by the pandemic in the

most severe way, the decision to create INTOSAI Emergency Fund was made to sustain the continuity of operations.

The COVID-19 Expert Group of the SCEI subsequently came up with a set of recommendations for the INTOSAI Governing Board based on this series of webinars and additional consultations.

9.3.3.3 KSC Compilation on Responses to the COVID-19 Pandemic

CAG of India as Chair of the e-INTOSAI Knowledge Sharing and Knowledge Services Committee (KSC) has created a single consolidated resource document on the efforts undertaken by the INTOSAI community from March 2020 through February 2021 to manage the COVID-19 pandemic. Along with SAI of Peru's International Observatory of Government and SAI Initiatives concerning COVID-19, this document will serve as a valuable resource on COVID-19 pandemic oversight work.

The document—"COVID-19 Pandemic – Compilation of Organizational Responses within INTOSAI"—was compiled on the recommendation of SCEI and built upon the initial document on SAI responses to the pandemic by SAI Russia. The International Relations Division which also acts as KSC Secretariat gathered information for the document from various sources, including INTOSAI's Policy, Finance, and Administration Committee (PFAC), SCEI, IDI, regional INTOSAI organizations, and individual SAIs' websites and documents.

This document aims to:

- provide the international community with immediate information on key topics related to the pandemic, such as continuity of operations, working remotely, auditing and capacity building;

- preserve institutional memory and provide an online repository of best practices;

- serve as a resource to help SAIs deal with and maintain continuity of operations during similar crisis in the future

- create awareness within IA&AD on COVID-19 related international efforts to supplement our capacity building and to improve our understanding of the audits, remote working practices adopted by different SAIs.

As KSC foresees many more efforts from the INTOSAI community during the ongoing pandemic, the document is intended to be a living document. The document is available under the Good Practices section of the INTOSAI Community Portal, *https://www.intosaicommunity.net/.*

9.3.4 Other Events

- The first annual meeting of the INTOSAI Working Group on Impact of Science and Technology in Auditing (WGISTA) was held virtually on 16 September 2020 which was attended by SAI India representatives in the Working Group Mr. K.R. Sriram, Deputy Comptroller and Auditor General and Chief Technology Officer and Mr. A. Dasgupta, Accountant General.

- IDI launched SAI Young Leaders (SYL) Programme 2019-2020 to nurture young leaders in SAIs and invited participation from SAI India. After due selection by IDI, Ms. Stefi Sofi, Deputy Director and Ms. Prachi Pandey, Principal Director, became SAI Young Leader and SAI Coach, respectively. Ms. Stefi Sofi successfully graduated as the SAI Young Leader under IDI's SAI Young Leaders Initiative 2019-2020. Pursuant to the programme, Ms. Stefi Sofi made online presentation on integrated change plan and change strategy to IDI staff and other SYLs on 11 December 2020.

- iCED Jaipur, in consultation with SAI Uganda, the Chair of INTOSAI Working Group on Audit of Extractive Industries (WGEI), conducted the first International Training Programme (ITP) on "Audit of Extractive Industries" (INTOSAI-WGEI) by virtual mode from 15 to 19 March 2021. The sessions were taken by faculty from various SAIs including SAI India. Ms Namita Sekhon, Deputy Comptroller and Auditor General (HR) delivered inaugural speech for the ITP on 15 March 2021.

9.4 ASOSAI

ASOSAI, established in 1978, is one of the seven regional working groups of INTOSAI. It became functional in 1979, with its first assembly in New Delhi. India is a charter member of the ASOSAI. Its present membership stands at 47.

The objectives of ASOSAI are:

- To promote understanding and cooperation among member institutions through exchange of ideas and experiences in the field of Public Audit.

- To provide facilities for training and continuing education for government auditors, with a view to improving quality and performance.

- To serve as a center of information and as a regional link with institutions in other parts of the world in the field of Public Audit.

- To promote closer collaboration and brotherhood among auditors in the service of the Governments of the respective member institutions and among regional groups.

As the Chairman of Board of Editors of ASOSAI Journal of Government Audit, CAG has been granted an ex-officio membership of the Governing Board of ASOSAI. Being the Editors of the ASOSAI Journal, we publish the ASOSAI Journal twice a year. The material for the ASOSAI journal is contributed by member SAIs. The April 2020 issue of the e-Journal on the theme of Audit of Public Debt Management and the October 2020 issue on the theme of Audit of Poverty Alleviation in Rural Areas have been uploaded and hosted on the website *www.asosaijournal.org.*

The roadmap for the revamping of the ASOSAI Journal had been approved by the CAG to focus on redesigning the website of the journal, improving the quality and content of the journal and giving the journal a social media presence in Twitter. SAI India, being the Chair of the Editorial Board of the ASOSAI Journal, subsequently achieved the critical milestone of obtaining approval of ASOSAI Governing Board for revamping the ASOSAI Journal website. The rejuvenated website of the Journal will pave the way for ASOSAI to connect better, share better and lead better.

9.4.1 Some major events of ASOSAI, involving the active participation of SAI India

- **ASOSAI Secretariat Joint Webinar on SAIs' Roles in Responding to Crisis and Disaster – 26-28 January 2021**

- The Board of Audit and Inspection, South Korea, (BAI) held a 3-day Special Committee-ASOSAI Secretariat Joint Webinar on "SAIs' Roles in Responding to Crisis and Disasters" from 26 to 28 January 2021. During the webinar, ASOSAI member countries, along with other international organizations, shared their experiences with crisis and disasters, and discussed the role of SAIs to strategically strengthen them during times of crisis.

- Mr. Kulwant Singh, Principal Director (International Relations) made a presentation in the webinar on the topic "Building Resilience through Re-Engineering - Role of Audit enumerating the role of SAIs in the expanded Sendai Accountability Framework. While highlighting the initiatives of SAI India in particular and other SAIs in general during the COVID-19 pandemic, Mr. Singh also detailed on key learning process during pandemic.

- Third meeting for the 12th ASOSAI Research Project on "Audit of implementation of SDGs: Leveraging Digital or Big Data to achieve the SDGs" was held virtually in April 2020 and was attended by Ms. Narmadha R, Senior Deputy Accountant General and Ms. Varsini Arun, Deputy Accountant General.

- **55th Governing Board Meeting (GB) of ASOSAI** was held virtually on 25 July 2020-The CAG presented a report on the ASOSAI Journal apprising the GB members about the progress of the journal, its migration to e-version in 2016, thematic approach etc. The report also highlighted the initiative of SAI India, as the

Journal Editor, towards revamping the ASOSAI Journal website focusing more on improving the quality and contents of the journal. Apart from above, reports on INTOSAI Compliance Audit Sub-committee, INTOSAI working group on IT Audit (WGITA) and INTOSAI Knowledge Sharing Committee (KSC) were presented by Principal Director(International Relations) focusing on SAI India's efforts and initiatives in INTOSAI. The report on ASOSAI Journal and the other reports were adopted by the GB. The Meeting also discussed the capacity development activities of ASOSAI, ASOSAI Strategic Plan covering mid-term evaluation Report of ASOSAI Strategic Plan 2016-2021 and the drafting of next ASOSAI Strategic Plan 2022-2027, cooperation with INTOSAI regional organizations, report on ASOSAI financial Statements for FY 2019, and ASOSAI cooperation with INTOSAI. The GB also focused on working group on SDGs and presented the Report for ASOSAI special committee-feasibility study on establishing ASOSAI working group on SDGs. It is a pioneer decision of ASOSAI among INTOSAI Regional Working Groups to implement the INTOSAI Strategic Objectives towards achievement of Sustainable Development Goals (SDG). The GB also discussed many initiatives and actions to respond to COVID-19 pandemic to reaffirm the organization's and its members responsibility, capacity and role in addressing the regional emerging issues.

- **Participation in the 2ⁿᵈ Meeting of BRICS SAIs Leaders-**The meeting coordinated by SAI Russia, was held virtually on 25 August 2020. Mr. Girish Chandra Murmu, CAG of India headed the SAI India delegation consisting of Ms. Saroj Punhani, Deputy Comptroller and Auditor General, Mr. Kulwant Singh, Principal Director and Mr. P. B. Vishnukanth, Director. The CAG presented SAI India's response to COVID-19 expressing SAI India's efforts to implement strict nationwide lockdown and ensure adequate supplies of medical equipment and medicines. CAG also shared how SAI India responded to the crisis by conducting audit with minimal staff and adopting virtual/remote audits, wherever feasible in our audit focus areas.

- Further, Principal Director (International Relations) presented the SAI India report on General introduction on the impact of crisis on Health and Education in India, including an overview of the government initiatives in these sectors to effectively manage response to the COVID-19 pandemic.

- The member SAIs lauded the efforts of Indian authorities in preventing spread of the pandemic through its policies and timely measures. The members also appreciated SAI India's efforts in keeping its business going during these tough times and not letting its guard down.

The other major take always from the 2ⁿᵈ meeting of the BRICS SAI Heads were: (i) approval of the BRICS SAIs Cooperation Work Plan 2020-2022 which broadly focused on the implementation of 2030 Agenda for Sustainable Development. SAI India offered to lead the topic on Health and Education and (ii) adoption of a joint declaration of the second meeting of Heads of SAIs. The declaration highlighted the commitment of member SAIs to BRICS cooperation, importance of BRICS cooperation and the role of BRICS SAIs in INTOSAI. Inputs provided by SAI India for the joint declaration were fully included in the adopted joint declaration.

- **ASOSAI Seminar, 1 to 4 December, 2020:** An ASOSAI Knowledge Sharing Seminar on "Audit on Implementation of SDGs" and "SAI's responses to COVID-19" were held online, from 1 to 4 December 2020. The purpose of the seminar was to share experience and knowledge on Audit on Implementation of SDGs and SAI's responses to COVID-19. Mr. Manish Kumar, Director General and Ms. Keerti Tewari, Director General participated in the ASOSAI Seminar.

- **Hosting and leading BRICS SAIs expert level virtual meeting on "Audit of implementation of public programmes related to Education and Health":** As part of the BRICS SAIs Work Plan 2021-2022 adopted in the 2ⁿᵈ BRICS SAIs Leaders Meeting, SAI India hosted the BRICS SAIs expert level virtual meeting on the cooperation topic "Audit of implementation of public programmes related to Education and Health" on 10 & 11 March, 2021.
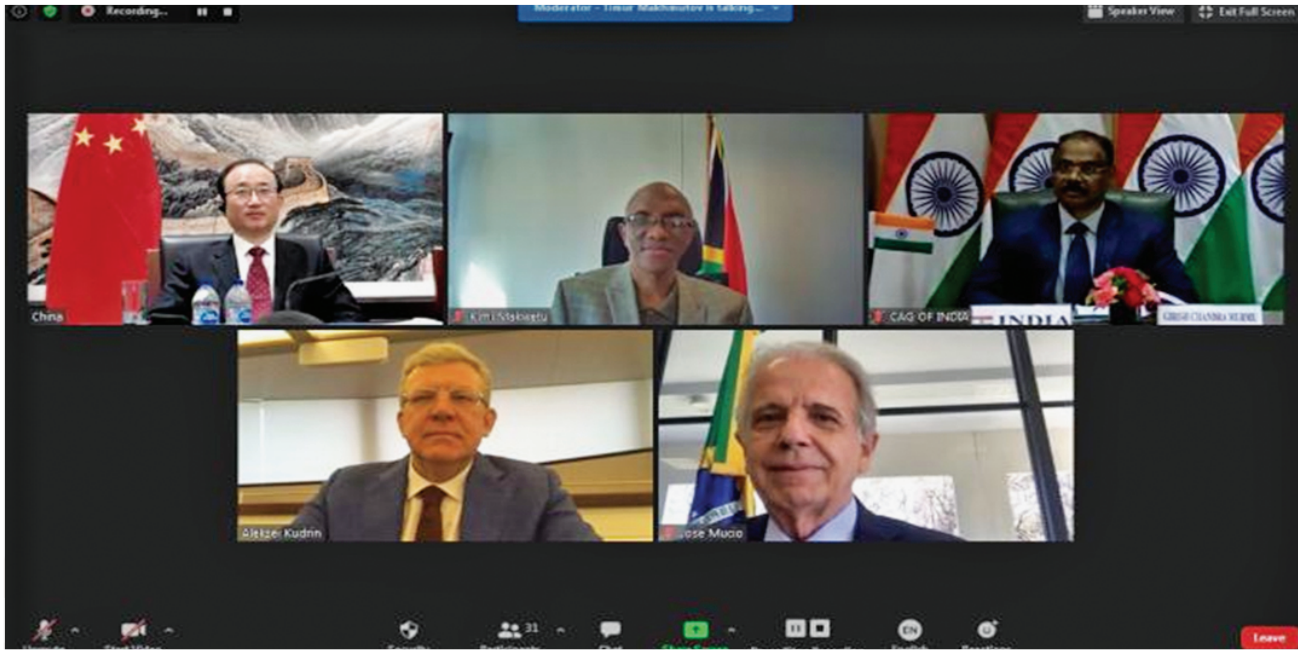
Ms. Namita Sekhon, Deputy Comptroller and Auditor General inaugurated the BRICS SAIs virtual meeting.

- SAI India demonstrated its pioneering role in BRICS SAI cooperation by successfully hosting the BRICS SAIs expert level virtual meeting on "Audit of implementation of public programmes related to Education and Health" by leading the theme discussion. The member SAIs applauded the presentations made by Mr. Sunil Shreekrishna Dadhe, Director General on the "Audit of Implementation of Public Program Related to Education", showcasing the state of education in India and the scenario of Public Education in India followed by the basic elements on the Audit of Public Programmes for Education and Mr. Ashok Sinha, Principal Director on "Audit of Implementation of Public Program Related to Health" outlining the schemes and programmes that the Government of India operates for the welfare of poor, vulnerable and general population and the National Health Policy. It also focused on the critical audit observations made by SAI India during the audit of various Departments, Public Hospitals, Wellness Centers, Health Research Institutions and Medical Councils responsible for implementation of Health Schemes /Programme.

9.5. Other important Bilateral events held and participated by SAI India

- **2020 Indo-Kuwait Joint Symposium on Environment Audit -** SAI Kuwait hosted the Symposium on the theme of "Environment Audit" virtually and sub-theme "Auditing in Virtual Environment-Opportunities and Challenges" on 24 and 25 November 2020 due to the COVID-19 pandemic. From SAI India, Ms. P. Madhavi, Principal Director, a team comprising Mr. Pawan Kumar Konda, Director and led by Mr. Manish Kumar, Director General participated in the Seminar.

- SAI South Africa had requested for our support in training their auditors in the field of Railway Audit. The first phase of the online training to SAI South Africa successfully conducted from 2 February, 2021 to19 February, 2021. The trainings were coordinated by Director General (Railways), Director General, RTI Kolkata, Principal Director (International Relations) and their teams and faculties. The next phase of the online training programme will be scheduled shortly in consultation with Director General (Railways) and Director General, RTI Kolkata.