

IAS Not Good Enough For the Job of CAG

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THE term of the present Comptroller and Auditor-General of India (CAG) is drawing to an end. It is time now to start the process of selection of the new CAG. The CAG is one of the most important functionaries of our system. The financial accountability of the government, and the observance of 'regularity' (i.e., conformity to rules and procedures) and propriety in public financial transactions are sought to be ensured through this functionary. An important feature of Indian federalism is that there is a common CAG for both the Union and the states.

Unfortunately, the processes of selection of this important constitutional functionary are not such as to inspire confidence. The cabinet secretary makes a recommendation, the Prime Minister decides and presidential approval follows. The person to be selected should have served as secretary to the government of India. As it is becoming more and more difficult for members of services other than the IAS to become secretaries to the government of India, the above-mentioned criterion virtually tends to limit the choice to the IAS. This was not always the case. In earlier years, there were several CAGs from the Indian Audit and Accounts Service. The last three CAGs, however, have been from the IAS. By now it seems to be well established (tacitly, not explicitly) that only an IAS officer can be appointed as CAG.

Three Dimensions

We are concerned not with an inter-service conflict of interests but the selection of a high constitutional functionary. It is clear that the best and most suitable person should be selected for this office based on three dimensions. First, it is a high constitutional position; second, there is the professional (audit and accounts) dimension; and third, there is the administrative/managerial dimension (presiding over and managing an important Class I Control Service as also a large, nationwide Indian Audit Department). If we consider only the constitutional aspect, the CAG does not have to be a former bureaucrat at all; the selection could be made even from amongst eminent non-officials or public men of high repute. The audit function involves not merely an examination of departures from rules and procedures, however, but also a scrutiny of the rectitude and propriety of major governmental decisions. Therefore, it would be better performed by someone who has been part of the governmental machinery. If we look only at the professional dimension, a distinguished chartered accountant could perhaps be considered.

There are, however, significant differences between commercial accounting in the private sector and the

governmental system of accounts which is a vast system with a complex history and wide-ranging ramifications. There is also the aspect of federalism as both state and Central accounts are involved.

On the whole, someone who knows the system from the inside may be preferable to someone from the outside who may have to spend a year or so out of the six-year tenure in learning the job. As regards the administrative/managerial dimension, this can certainly be handled by an IAS officer, but it can also be managed by a senior IA&AS officer with many years of professional and administrative experience. Without exaggerating the virtues of the IA&AS, it can be safely stated that the long-standing departmental traditions of respect for rules and procedures and concern for probity and propriety still remain reasonably intact in that service. The general decline in regard to these matters (with honourable exceptions), which characterises the bureaucracy as a whole, has not affected the IA&AS to the same extent.

Strong Case

Thus, if we consider the various aspects mentioned above separately and in isolation, we may come up with different answers, but if we put them together there is a strong case for the CAG of India being a former bureaucrat, and preferably an officer of the IA&AS. It cannot be maintained that a good IA&AS officer will necessarily make a good CAG, or that an IAS officer cannot be a good CAG, but it can be argued that out of two persons of ability, uprightness and integrity, one from the IAS and the other from the IA&AS, the IA&AS officer would be the better choice.

The present system virtually leaves the selection of the CAG in the hands of an IAS-dominated bureaucracy and the government of the day. Under the circumstances there is a distinct possibility of a choice other than the most suitable, or even a positively bad choice, being made. It seems desirable that this should be obviated by entrusting the selection to an eminent non-partisan group, including (perhaps) the Prime Minister, the finance minister, the leader of the opposition, the speaker of the Lok Sabha, the chairman of the Rajya Sabha and the Chief Justice of India. The actual composition of the group is a matter for very careful consideration. The selection will have to be made out of a short list which should include senior serving or recently retired officers of the IA&AS who have held the positions of deputy CAG in the service or secretary-equivalent posts outside the service; two or three serving or recently retired IAS secretaries of repute; and perhaps one or two outstanding names from other sources.