Q4

"The duty of the Comptroller and Auditor General is not merely to ensure the legality of expenditure but also its propriety." Comment.

UPSC Civil Services Mains 2024 · GS II · 10 marks · Governance and Policy

Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Core demand of the question

- State the Comptroller and Auditor General's constitutional office and the legality function
- Explain propriety (and performance) audit as more than voucher-checking
- Comment with the Public Accounts Committee link and the limits of the office
- Note that the CAG is not a court and not the executive

Revision summary

Articles 148-151 and the 1971 Act make the CAG the Union and State auditor.

Legality is sanction, appropriation and rule-compliance.

Propriety and performance audit test waste and value for money even when vouchers are valid.

PAC is the parliamentary partner; major performance reports mixed both functions.

Indian audit is overwhelmingly after the spend, so the report must sting.

The CAG cannot convict or make policy; it can still refuse to be a mere notary.

Introduction

Article **148** makes the Comptroller and Auditor General an independent constitutional officer. The job is not only to ask whether a rupee was spent under a valid appropriation. It is also to ask whether that rupee was spent as a trustee would spend it. That second question is **propriety**. The quote is the doctrine of Indian audit, not a slogan.

Body

Legality

Without a legality check, public finance is a rumour.

- **Peg:** The **Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971**, and the audit codes, require audit of receipts and expenditure of the Union and the States.
- **Peg:** **Article 151** carries the report to the President or Governor, then to the House.
- **Peg:** Legality means sanction, a budget head, a competent authority, and compliance with General Financial Rules and the scheme's own rules.

Propriety and performance

Propriety asks whether expenditure was excessive, wasteful or avoidable even if each voucher was stamped.

- **Peg:** Buying a machine that is not needed, or designing a stadium that cannot be used after the games, can be **legal and still improper**.
- **Peg:** Performance audit - economy, efficiency, effectiveness - grew from that habit; reports on spectrum allocation, the Commonwealth Games, coal-block allotments and leaking food grain mixed illegal process with waste.
- **Peg:** The **Public Accounts Committee** is the parliamentary half of the same function: the CAG supplies the facts; the PAC questions the ministry.
- **Peg:** India's CAG is largely **post-audit**, unlike the old British Comptroller who could stop issue; that makes the sting of the report, after the event, even more important.

Limits

A CAG who only stamps legality is a notary; a CAG who pretends to be a court is something else.

- **Peg:** The CAG does not convict; an audit figure is not a trial.
- **Peg:** Policy choice - whether to run a welfare scheme - is the executive's; **how** the scheme leaked is the CAG's.
- **Peg:** Over-reach into policy is a real risk; under-reach into polite legality is the older vice.

Flow diagram

Spend -> Legality

Spend -> Propriety

Propriety -> Article 151 report

Article 151 report -> Public Accounts Committee

Public Accounts Committee -> House

Legality -> Article 151 report

Conclusion

Legality keeps spend inside the Appropriation Act. Propriety asks whether the spend was worthy of public trust. Both belong to the CAG; neither turns the office into a court.

Facts & figures

Article 148 of the Constitution

Creates the Comptroller and Auditor General as an independent constitutional office.

Article 151 of the Constitution

CAG reports are laid before each House of Parliament or the State Legislature after the President or Governor receives them.

Comptroller and Auditor-General's (DPC) Act, 1971
Statute that details audit of the Union, the States and many bodies financed by government.

Public Accounts Committee
Lok Sabha committee, traditionally chaired by an Opposition member, that examines CAG reports.

Performance audit
Asks whether spend was economical, efficient and effective, not only whether the voucher was stamped.