



**KAMARAJ IAS ACADEMY**  
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# Comptroller and Auditor General of India

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**Why is in news?** CAG: Govt diverted funds of pension schemes for publicity of other schemes

THE Ministry of Rural Development (MoRD) diverted funds from the National Social Assistance Programme (NSAP), which includes old age pension schemes, for publicising some of its other schemes, the Comptroller and Auditor General of India (CAG) has said.

## National Social Assistance Programme:

The National Social Assistance Programme (NSAP) is a **Centrally Sponsored Scheme** of the Government of India that provides financial assistance to the elderly, widows and persons with disabilities in the form of social pensions.

NSAP was launched on **15th August, 1995**.

The National Social Assistance Programme (NSAP) represents a significant step towards the **fulfillment of the Directive Principles in Article 41 and 42** of the Constitution recognizing the concurrent responsibility of the Central and the State Governments in the matter.

In particular, Article 41 of the Constitution of India directs the **State to provide public assistance to its citizens** in case of unemployment, old age, sickness and disablement and in other cases of undeserved want within the limit of its economic capacity and development.

## Objective of NSAP:

National Social Assistance Programme is a social security and welfare programme to provide support to **aged persons, widows, disabled persons and bereaved families on death of primary bread winner, belonging to below poverty line households**.

## Schemes under NSAP:

Indira Gandhi National Old Age Pension Scheme (IGNOAPS),

Indira Gandhi National Widow Pension Scheme (IGNWPS),

Indira Gandhi National Disability Pension Scheme (IGNDPS),

National Family Benefit Scheme (NFBS) and

Annapurna.

## About the CAG report:

The allocation under NSAP to the states/ UTs were meant for disbursement of pension under various sub-schemes of NSAP.

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Out of the total allocation to a state/ UT, **three per cent fund was meant for administrative expenditure.**

During audit, instances of diversion of funds by ministry and states/ UTs out of allocated funds for NSAP were noticed.

The **planned IEC** (Information, Education and Communication) **activities under NSAP were not undertaken** as envisaged and funds of Rs 2.83 crore were **diverted for campaigning in respect of other schemes** of the ministry.

Hence, IEC activities intended to create awareness among potential beneficiaries of NSAP could not be taken up even though there was earmarking of funds for IEC activities.

### **About CAG:**

The Constitution of India (**Article 148**) provides for an **independent office** of the Comptroller and Auditor General of India (CAG).

He is the **head of the Indian Audit and Accounts Department** and is one of the bulwarks of the democratic system of government in India

He is the **guardian of the public purse** and **controls the entire financial system** of the country at both the levels—the Centre and the state.

His duty is to uphold the Constitution of India and laws of Parliament in the field of financial administration.

### **Constitutional Provisions for Office of CAG:**

**Article 148** broadly deals with the CAG appointment, oath and conditions of service.

**Article 149** deals with Duties and Powers of the Comptroller and Auditor-General of India.

**Article 150** says 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 CAG, prescribe.

**Article 151** says that the reports of the Comptroller and Auditor-General of India relating to the accounts of the Union shall be submitted to the president, who shall cause them to be laid before each House of Parliament.

**Article 279** Calculation of “net proceeds” is ascertained and certified by the Comptroller and Auditor-General of India, whose certificate is final

### **Appointment, Term & Removal:**

The CAG is appointed by the **President of India** by a warrant under his hand and seal.

The CAG holds office for **a period of six years or up to the age of 65years**, whichever is earlier.

He can **resign any time** from his office by addressing the resignation letter to the president.

He can also be **removed by the president on same grounds and in the same manner as a judge of the Supreme Court.**

In other words, he can be removed by the president on the **basis of a resolution passed to that effect by both the Houses of Parliament with special majority**, either on the ground of **proved misbehaviour or incapacity.**

He is **not eligible for further office**, either under the Government of India or of any state, after he ceases to hold his office.

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### **Duties and functions:**

He audits the accounts related to **all expenditure from Consolidated Fund of India**, consolidated Fund of **each state and union territory having a legislative assembly**.

He audits all expenditures from the **Contingency Fund of India and the Public Account of India** as well as the Contingency Fund and Public Account of **each state**.

He audits all **trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary** accounts kept by **any department** of the Central Government and State Governments.

He audits the **receipts and expenditures of each State and Centre** to satisfy himself that the rules and procedures on that behalf are designed to secure an effective check on the assessment, collection and proper allocation of revenue.

He audits the **accounts of any other authority** when **requested by the President or Governor**.