

**PRESS RELEASE**

**OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

**New Delhi  
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**CAG CALLS FOR STRENGTHENING CAPACITY BUILDING AND  
AUDITED PRACTICES OF PAIs**

The Three-Day National Workshop for Directorates of Local Fund Audit (DLFAs) and State Audit Departments, organised by CIARD–NIRDPR in collaboration with iCAL, ended in Hyderabad today with a call for strengthening the institutional framework, professional capacity building and audit practices of Primary Auditing Institutions (PAIs) responsible for Local Governments. Speaking at the valediction function, the Comptroller and Auditor General of India, Shri Sanjay Murthy stated that the challenges and best practices highlighted by different States would be taken into consideration and presented in the forthcoming All-State Secretaries' Workshop for appropriate follow-up and improvement of the system.

Briefing the gathering on the proceedings, the Workshop Director, Dr. U. Hemantha Kumar, highlighted that the workshop deliberations covered challenges in Local Fund Audit, assessment of PAI maturity, CAG's Technical Guidance and Support (TGS) framework, and experience-sharing on audit planning, reporting, and engagement with local bodies.

The Directors of Local Fund Audit from various states deliberated in five thematic group discussions on PAI maturity, Virtual Audit System, remote audit of Gram Panchayats, standardisation of inspection reports and audit planning, and strengthening TGS through IT, AI, and CAATs. The group presentations underscored the need for simplified and standardised audit frameworks, adoption of technology-enabled and remote audit systems, strengthening follow-up and enforcement mechanisms, and focused capacity building of DLFAs to enhance audit coverage, quality, and transparency in local governance.

Forty-one officers representing DLFAs, State Audit Departments, and ELFAs from 23 States, along with PAGs and AGs from various States, participated in the workshop. The valedictory session was attended by Shri Sanjay Murthy, Comptroller and Auditor General of India; Dr. G. Narendra Kumar, Director General, NIRDPR; Shri Manish Kumar, Deputy C&AG; and Shri Sushil Kumar Lohani, Additional Secretary, Ministry of Panchayati Raj. Shri H. K. Dharmadarshi, DG, iCAL.



*CAG of India, Shri K Sanjay Murthy and DG, NIRDPR, Dr. G. Narendra Kumar at the concluding function of National Workshop for Directors of DLFA's in Hyderabad on 21.1.2026*



*Group photo at the concluding function of National Workshop for Directors of DLFA's in Hyderabad on 21.1.2026*