OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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CAG MAKES STRATEGIC SHIFT TO REMOTE AUDITING: FOR EXCELLENCE IN PUBLIC AUDITING

The following is the text of briefing by Deputy CAsG- Shri K S Subramanian, Shri Jayant Sinha & Shri A M Bajaj and DG & CTO Shri B K Mohanty here today.

The Comptroller and Auditor General of India (CAG) is transitioning to a system-wide strategic shift to remote and hybrid audits to increase audit coverage, reduce time for field audit at auditee premises and improve quality of audit outputs. At present, digital and IT systems' maturity and access vary significantly across levels of government, across departments and across processes. Wherever data quality, completeness and sufficiency and reliability is reasonable and data/system access is available to audit, there is concerted effort to conduct end to end remote audits. In other cases, hybrid audits are conducted which are done predominantly through desk-based review based on data and records available in our offices and only target field visits are undertaken for substantive audit.

This transition is anchored in risk-based planning, secure access to government platforms (such as IFMS, e-Procurement and sectoral databases like WAMIS for public works etc.) and the use of geospatial tools like PM GatiShakti to strengthen evidence and consistency across sectors.

Innovations in remote auditing

The pilot studies of remote audits in many audit domains have been concluded, and they are now being replicated across offices. Remote audits in receipts audits are advancing faster due to higher automation, richer and standardized data. This includes a data-led GST audit carried out concurrently in the Central and State audit offices using a standardised audit design matrix and centrally validated SQL queries. Similarly, PAG (Audit) Telangana's remote compliance audit of the Stamps & Registration Department demonstrates successful office-based scrutiny with real-time coordination.

On the expenditure side, hybrid audits are being conducted, which combine the manual records received in the offices along with analysis of the data. Pilot in the Public Works audit was demonstrated by PAG(Audit), Haryana recently and other field offices have been informed of the approach and nudged to replicate the initiative. Furthermore, significant strides are being made in the remote audit of Panchayati Raj Institutions (PRI), with West Bengal's Virtual Audit System integrated with AuditOnline enabling paperless PRI certification. PAG (Audit 1), Madhya Pradesh

is developing a roadmap for remote certification by Director Local Fund Audit (DLFA) under the CAG's Technical Guidance & Support.

Risk Assessment Models utilizing existing data repositories and historical audit findings are being developed for each sector, enabling sharp focus on high-risk areas. Government platforms including iFMS and e-Procurement portals are being leveraged to identify patterns, understand operational clusters, and analyze anomalies with greater precision. For instance, to facilitate this in Tamil Nadu, access to more than 20 databases and online access to important IT systems of the state govt has been attained .

CAG-Connect Portal: to facilitate stakeholder engagement

The soon-to-be-launched CAG-Connect Portal will provide nearly 10 lakh auditee entities with a unified digital interface to directly respond to audit queries, observations, and inspection reports. This platform will make the entire process transparent, technology-enabled, and accessible to all stakeholders regardless of their geographical location, enabling proper tracking of audit observations by both the CAG and audited entities while facilitating faster resolution.

CAG-LLM: Harnessing Artificial Intelligence for Smarter Audits

An initiative under development is the CAG-LLM (Large Language Model), designed to help auditors access decades of institutional knowledge, thereby improving efficiency and consistency in audit analysis. This AI-powered system will strengthen institutional capabilities in analysing large datasets and internally generated documents such as Inspection Reports, identify patterns and risks with enhanced accuracy, and assist auditors in preparing more incisive audit insights and comprehensive reports.

Vision for Complete Digital Transformation

Looking ahead, the CAG envisions comprehensive digital transformation of the entire audit and accounts ecosystem through dedicated in-house Digital Transformation Officers. Working in conjunction with data analytics cells established in each of the CAG's field offices across various states, these officers will lead innovations that enhance the scale and reach of the remote and hybrid audits. These centres will serve as advanced audit practice hubs, providing specialized training and enabling real-time integration with various government systems.

By strategically harnessing technology, expanding audit reach, and fostering collaboration through digital platforms, the CAG is charting an ambitious course for remote auditing that is accountable, data-driven, and citizen-focused, setting new benchmarks for public sector oversight and transparency.

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