PRESS RELEASE

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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USING AI CAG TO GO BEYOND LIMITATIONS OF TRADITIONAL AUDIT PROCESSES: MURMU

As India holds the Presidency of the G20, **the Comptroller and Auditor General of India (CAG)** is the chair for SAI 20-the engagement group of Supreme Audit Institutions (SAI) of the G20. In line with the theme of G20 Presidency- "**Vasudhaiva Kutumbakam**" or "**One Earth. One Family. One Future**", the CAG has selected two priority areas viz. '**Blue Economy**' and '**Responsible AI**'.

In order to have an overview on the theme 'Responsible AI', especially in the context of India, the CAG hosted **a seminar on 22nd Feb 2023, at the CAG Office, New Delhi** inviting eminent personalities to speak and share their expertise on the subject.

Mr. Alkesh Kumar Sharma, Secretary MeiTY, Dr. Rohini Shrivastha, Chief Technology Officer, Microsoft India, Mr. Sanjeev Singh, Principal Commissioner, Income Tax, Ms. Sangeeta Semwal, Scientist, were the speakers for the event. The G20 Secretariat and other G20 engagement groups also attended the seminar.

Shri Girish Chandra Murmu, CAG of India emphasized that in this era of express technological advancement, digital transformation and AI were rapidly becoming the centre of attention for public sector enterprises. Referring to the launch of the Digital India initiative, CAG added that the Government is increasingly focusing on providing access to technology, digital infrastructure, and digital literacy.

Discussing the advantages of AI, CAG highlighted areas like Health, Education, Taxation, where Digital Transformation and AI

driven tech platforms have replaced the repetitive manual processes, brought efficiency through informed policy decisions. He further stressed on the risks like "Bias in the algorithms" and "privacy concerns for the individuals" associated with AI implementation in the public sector being".

CAG highlighted the increasing adoption of new technologies for audit work, in the CAG offices. Through use of AI, CAG offices are trying to go beyond the limitations of traditional audit processes – moving from sample-based audits to auditing the complete population data, and risk-driven sample selection.

CAG explained that one of the major challenges for audit was lack of standardization in underlying data structures across Government IT applications. In many cases, different departments have systems which are incapable of either communicating with each other, or data linkages cannot be made to gain meaningful and actionable information. He pointed out the need for adoption of Audit Data Standards to the Government, which will help not only policy-makers and executives, but the auditors in carrying out digital audits.

Mr. Alkesh Kumar Sharma, Secretary MeiTY explained India is the home to third largest and fastest growing AI ecosystem in the world. In this era of digital transformation, role of AI technologies becomes crucial in bringing accountability and transparency in delivery of public services. He also talked about how the government is moving towards Evidence-based policy formulation and facilitating the acceleration that is being brought for the development of innovative start-up ecosystem in India.

Dr. Rohini Shrivastha, CTO Microsoft India explained how the AI is slowly becoming part of every aspect of our lives, and that the democratization of the AI technologies is inevitable. She explained the principles for responsible and ethical use of AI and also emphasised on the need for risk-based regulation of AI technologies.

Mr. Sanjeev Singh, Principal Commissioner, Income Tax Department explained the digital evolution in the Income Tax Department. Using AI and other technologies, how IT department is cutting down the processing time. He explained dual objectives for digitalisation in the IT

Department – increase compliance for rules and regulations, and make it easier for the taxpayers to comply.

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