PRESS RELEASE

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

New Delhi
17th August, 2026

CAG ADDRESSES ANNUAL MEETING of INTOSAI WORKING GROUP on FOLLOW-UP AUDIT

A two day conference of INTOSAI Working Group on Follow-up Audit begin at Kolkata Today. Building on the momentum of 1st Meeting in Penang, Malaysia in 2025, in this 2nd meeting delegates from across the INTOSAI community have gathered to advance the WGFA Compendium, review the 2026 Work Plan, and deepen knowledge on measuring real audit impact, from monetary and environmental to digital and anti-corruption outcomes. From audit recommendations to public value, that is the journey the members walk together. It is opined that an audit Report is no longer the accountability process, it is the beginning.

In his inaugural address CAG Shri K Sanjay Murthy stated ‘the three pillars of the Work Plan - Knowledge Development, Knowledge Sharing and Capacity Building - provide a strong foundation for this endeavour. The Compendium on Best Practices of Follow up Audit is particularly promising. By bringing together the experiences and innovations of SAIs from different parts of the world, it can become a valuable resource for learning from one another and strengthening follow-up practices across the INTOSAI community.’

The following is the text of inaugural address by Shri K. Sanjay Murthy, Comptroller & Auditor General of India at the 2nd Annual Meeting of INTOSAI Working Group on Follow-up Audit at Kolkata Today.
“Dato’ Seri Wan Suraya Wan Mohd Radzi, Auditor General, SAI Malaysia and Chair of INTOSAI Working Group on Follow up Audit
Mr. Ndaye Elysee, The State Inspector General of Burundi
Mr. Cherno Amadou Sowe, Auditor General, SAI Gambia
Mr. Ali Heydar Nouri, Advisor to SAI President of Iran
Distinguished delegates, ladies and gentlemen

Good morning, Namaste.
Welcome to the city of joy - Kolkata, and welcome to India.

It gives me immense pleasure to welcome you all to Kolkata, a city that has, for centuries, stood at the confluence of ideas, commerce, culture and public institutions. Kolkata has nurtured some of India's greatest thinkers, reformers and institution builders. It is therefore a fitting venue for a gathering dedicated to strengthening one of the most important pillars of democratic governance - public accountability.

SAI India is honoured to host this important meeting, and we are delighted to receive colleagues from across the INTOSAI community. Your presence reflects our shared commitment to advancing public sector auditing in a manner that delivers tangible value to governments, legislatures and, above all, to our citizens.

Today, we have all come here for the Second Annual Meeting of the INTOSAI Working Group on Follow-up Audit. This meeting, which brings together experts working in an important area of public auditing, is a testament to INTOSAI's enduring commitment to collaboration, knowledge sharing and professional excellence.

On behalf of SAI India, I extend a warm welcome to each one of you to this Meeting of the INTOSAI Working Group on Follow-up Audit.

I. THE EVOLVING ROLE OF SUPREME AUDIT INSTITUTIONS

Distinguished colleagues,

Governments today operate in an increasingly complex environment shaped by digital transformation, climate change, artificial intelligence and the pursuit of the Sustainable Development Goals. At the same time, citizens expect greater transparency, accountability and effective delivery of public services.

In this evolving landscape, the role of Supreme Audit Institutions has also expanded. While compliance and financial accountability remain fundamental, legislatures and citizens increasingly expect assurance that public expenditure deliver intended outcomes and that audit recommendations are effectively implemented.

This is where follow-up audit becomes critical.

An audit report is no longer seen as the end of the accountability process, but rather the beginning of a process for ensuring accountability, strengthening governance and for improving systems. Recommendations create real public value only when they lead to stronger governance, better service delivery and more efficient use of public resources.

This is reflected in INTOSAI- Principle P-12, which highlights the role of SAIs in strengthening accountability, transparency and public trust, and in ISSAI 100, which emphasises that public audit promotes continuous improvement in public administration.

II. THE JOURNEY OF THE INTOSAI WORKING GROUP ON FOLLOW-UP AUDIT

The establishment of the Working Group on Follow-up Audit was proposed by SAI Malaysia at the Fifteenth Annual Meeting of the KSC Steering Committee in Abu Dhabi in October 2023. Recognising follow-up audit as a shared challenge across SAIs, KSC established a Special Committee, chaired by SAI Malaysia, to undertake a feasibility study.

Nineteen SAIs from across the world, including SAI India, collaborated in this effort. Their report of the Special Committee was endorsed by the 78th INTOSAI Governing Board in Cairo in October 2024, leading to the establishment of the INTOSAI Working Group on Follow-up Audit chaired by SAI Malaysia. This journey reflects the strength of INTOSAI's collaborative spirit and the vital role of the Knowledge Sharing Committee in fostering innovation and cooperation. I express my sincere appreciation to SAI Malaysia and to all SAIs that contributed to this initiative.

III. ADVANCING THE WORK PLAN: KNOWLEDGE, SHARING AND CAPACITY BUILDING

I am pleased to learn that the Work Plan of the INTOSAI Working Group on Follow up Audit for 2025-2028 is progressing well. It reflects a shared ambition: to ensure that audit does not end with recommendations, but leads to action and, ultimately, to better governance and better outcomes for citizens.

The three pillars of the Work Plan - Knowledge Development, Knowledge Sharing and Capacity Building - provide a strong foundation for this endeavour. The Compendium on Best Practices of Follow up Audit is particularly promising. By bringing together the experiences and innovations of SAIs from different parts of the world, it can become a valuable resource for learning from one another and strengthening follow-up practices across the INTOSAI community.

I am particularly pleased that SAI India is contributing to this effort by leading the chapter on the role of digital technologies and ICT in follow up audits. Technology is opening new possibilities for how we gather evidence, monitor implementation, identify risks and assess impact. Harnessing these possibilities can make follow up audit not only faster and more efficient, but also more insightful and outcome-oriented.

I am confident that the collective work of this Group will help us take follow up audit beyond a question of compliance - to make it a strategic instrument for learning, improvement and lasting public value.

IV. SAI INDIA'S EXPERIENCE IN STRENGTHENING FOLLOW-UP AUDIT

Over the years, SAI India has adopted several measures to enhance the effectiveness of follow-up. Audit findings are systematically pursued through a continuous accountability cycle, beginning with an audit report that identifies financial, compliance, or performance deficiencies. The concerned Ministry or Department submits an Action Taken Note outlining the corrective measures initiated in response to these observations. These responses are examined by the Public Accounts Committee and the Committee on Public Undertakings of Parliament or State Legislatures, whose deliberations and recommendations strengthen legislative oversight and reinforce executive accountability. Based on the Committees' recommendations, the concerned Ministry or Department undertakes further corrective action and submits a compliance report for verification and review. The audit observation is treated as closed only after satisfactory compliance and resolution, ensuring that audit findings translate into tangible corrective and systemic improvements.

Recognizing that the value of public audit extends beyond the formal audit report, SAI India uses instruments such as Management Letters, Departmental Appreciation Notes and Study Reports to promote constructive dialogue and institutional learning. Management Letters, in particular, provide an effective bridge between audit findings and corrective action by communicating significant observations on systemic deficiencies, internal control weaknesses, persistent irregularities and matters requiring management attention, along with appropriate recommendations. We follow up these observations by seeking management responses and monitoring corrective action. To support this, the Audit Para Monitoring System (APMS), a web-based platform through which ministries and departments submit Action Taken Notes on our audit paragraphs, replies to PAC recommendations, and explanatory notes on excess expenditure. This portal has recently been upgraded to APMS 2.0, enabling fully online submission and reducing reliance on physical paperwork. By highlighting good practices while addressing underlying weaknesses and preventing recurrence, these initiatives enhance the impact of audit and contribute to stronger governance and continuous institutional improvement.

We have also started Colloquiums across the country in partnership with the Indian Council of Social Science Research (ICSSR) to connect audit findings with academic research and policy planning.

In the area of follow-up of audit recommendations relating to State Owned Enterprises, we have recently strengthened our internal mechanisms for real-time monitoring of Action Taken Notes on audit paragraphs. Through the online monitoring system, Audit Para Management System (APMS) 2.0, we can track the status of actions taken on each audit paragraph and facilitate timely follow-up with the concerned State Owned Enterprise. In addition, we have established Impact Assessment Cells in all our Field Audit Offices. These Cells monitor the impact of audit observations and recommendations and help assess whether the corrective measures undertaken by the audited entities have resulted in tangible improvements. Thus, our approach to follow-up is increasingly moving beyond monitoring compliance to also assessing the actual impact and outcomes of audit.

Our experience has reaffirmed an important lesson: effective follow-up is a shared responsibility.

V. LEARNING TOGETHER: STRENGTHENING PUBLIC TRUST THROUGH COLLECTIVE ACTION

One of INTOSAI’s greatest strengths lies in bringing together Supreme Audit Institutions from diverse constitutional and administrative traditions in pursuit of professional excellence. The Knowledge Sharing Committee, and particularly the Working Group on Follow-up Audit, embodies this spirit by enabling us to exchange experiences, share good practices, address emerging challenges and develop practical solutions collectively. I am confident that our deliberations will further strengthen this shared endeavour.

Ultimately, public trust is one of the most valuable assets of any democracy—earned through integrity, sustained through transparency and strengthened by accountability. Supreme Audit Institutions play a vital role in nurturing this trust through independent assurance, sound public financial management and continuous improvement in governance. As Rabindranath Tagore wrote, “Faith is the bird that feels the light and sings when the dawn is still dark.” Follow-up audit embodies that faith: our collective belief that constructive scrutiny, followed by meaningful action, can strengthen institutions and improve the lives of citizens.

I once again express my sincere appreciation to SAI Malaysia, under the distinguished leadership of Dato’ Seri Wan Suraya Wan Mohd Radzi, for its vision and commitment in leading the Working Group on Follow-up Audit.

I am confident that the deliberations over the next two days will deepen our professional engagement, enrich our collective knowledge and contribute significantly to strengthening the role of Supreme Audit Institutions in promoting accountability, transparency and good governance across the world.

I wish the Second Annual Meeting of the INTOSAI Working Group on Follow-up Audit every success.”

CAG Shri K Sanjay Murthy ADDRESSING ANNUAL MEETING of INTOSAI WORKING GROUP on FOLLOW-UP AUDIT IN KOLKATA ON 17.8.26

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