

Preface

The Comptroller and Auditor General of India (CAG) was, vide Rule 8 framed under Section 7A of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003, entrusted with the responsibility of periodically reviewing the compliance of the provisions of the Fiscal Responsibility and Budget Management Act, 2003 and present such reviews before both Houses of Parliament beginning with the Financial Year 2014-15.

This is the fourth report of the CAG on compliance with the provisions of the Act and the Rules made thereunder, by the Central Government for the years ending March 2018 and March 2019. This is the first report since the Act and Rules were significantly amended with effect from 1 April 2018. The report critically examines the achievements vis-à-vis FRBM targets and compares actuals with projections made in Medium Term Policy Statements and Medium Term Expenditure Framework and analyses reasons for variation. Besides, transparency and disclosure related issues have also been highlighted for action by the Government.

The observations being presented in the Report are primarily based on examination of Budget documents relating to the Financial Years 2017-18 and 2018-19 and the Union Government Finance Accounts for these years. In addition, reliance was also placed on publications of various Ministries including the Ministry of Finance, and reports and publications of PSUs and other Government bodies.

The report contains significant results arising from the review of compliance of the provisions of the Act and the rules. The instances mentioned in this report are those which came to notice in the course of test audit for the period 2017-18 and 2018-19. Matters pertaining to the period earlier than 2017-18, which have a bearing on fiscal indicators have also been included, wherever relevant.

The audit has been conducted in conformity with the auditing standards issued by the CAG.

