

Minutes of the State Audit Advisory Board Meeting

Held on 13 January 2026

The first meeting of the State Audit Advisory Board (SAAB), Himachal Pradesh, for the year 2026 was held on 13 January 2026 in the Conference Hall of the Office of the Principal Accountant General (Audit), Himachal Pradesh, at Gorton Castle, Shimla. The details of the members present are given in **Annexure-A**.

2. The meeting commenced with a welcome address and keynote remarks by **Shri Purushottam Tiwary, Principal Accountant General-cum-Chairperson of the Board**. In his address, he expressed his gratitude to the members for their presence and emphasized that their collective experience and expertise would provide valuable guidance in finalising and execution of the **Annual Audit Plan (AAP) for 2026–27** and identifying other critical areas requiring audit attention.

3. At the outset, **Ms Ambika, Deputy Accountant General**, extended greetings to the members. She thereafter made a presentation outlining the objectives and functions of the Board, the mandate and scope of the CAG's audit, the organisational structure of the office and its audit jurisdiction, as well as the nature and contents of various audit reports issued. The members were apprised of the **Performance Audits and Subject-Specific Compliance Audits** conducted during the period **2016–17 to 2025–26**. The presentation also covered the status of ongoing audits, action taken on the recommendations of the previous SAAB meeting, and key initiatives launched by the office under the guidance of CAG Headquarters.

4. In this context, the Board was informed about several new initiatives. The office has started implementing **data-led, remote and hybrid audits** by leveraging digital platforms to reduce physical presence in the field while ensuring wider audit coverage. The **Senior Deputy Accountant General (Sr. DAG)** apprised the members that the CAG is developing its own **AI programme for both Civil and Commercial audits** in collaboration with **IIT Chennai**. A portal titled "**CAG Connect**" has been made functional to facilitate interaction with auditees and enable the State authorities to view the status of audit products pertaining to them. Based on the suggestions of SAAB members in the previous meeting, the data of the **HIMCARE Scheme** is being analysed to identify outliers, and audit of **MP/MLA LAD funds** has been planned for inclusion in the **Audit Plan 2026–27**.

5. With regard to **IT and data-driven audits**, the members were informed that during the current year this office has planned to conduct data-led audits of the **JSV and SGST Departments**. Data relating to **PWD (monthly accounts, etc.)** and **Establishment (salary and pension)** will be procured from the Office of the **Principal Accountant General (A&E)** for IT and data-driven audits. The office is rigorously following up with the State authorities to obtain access to the programmes/software used by them. Stakeholder meetings are being organised to gather information about datasets maintained in the State, and walkthroughs/workshops are being conducted to gain first-hand knowledge of the data. In this regard, **Shri Rajeev Sood** emphasized the need to ensure the **reliability and integrity of data** provided by the State.

6. Following the presentation, the Chairperson invited suggestions from the members on the planned topics of **Performance Audits/Subject-Specific Compliance Audits** and

Departments for inclusion in the **Annual Audit Plan 2026–27**. The members appreciated the organisation for its innovative initiatives, particularly the development of AI-based audit tools and the **CAG Connect Portal**.

7. With regard to the **MSME sector**, **Shri Rajeev Sood** informed the Board that the **Reserve Bank of India (RBI)** had issued instructions for restructuring of MSME loans, for which a committee was required to be constituted; however, no such committee had been formed.

8. **Shri Rajeev Sood** further stated that the ranking of **HPSEBL** is declining and suggested that the **Multi-Year Tariff (MYT) Plan** submitted to the **HPERC** be examined and compared with those of other States. In response, the PAG clarified that HPERC is a judicial forum and outside the audit purview; however, aspects relating to **implementation, power exchange and seasonal demand** could be examined. In this context, the PAG also informed the Board that an **audit of HRTC**, with specific reference to fleet procurement, is being undertaken.

9. Several valuable suggestions were made by the members. **Shri Sanjeev Kaul** highlighted issues relating to **IT education in schools and colleges**, stating that it varies from institution to institution and that the quality of education largely depends upon the teachers. He suggested that the State Government should formulate a **comprehensive policy** applicable uniformly across all schools and colleges.

10. Regarding the **HIMCARE Scheme**, **Shri Rajesh Mandhotra** informed the Board that the scheme has data pertaining to both **Ayushman Bharat and HIMCARE**. He stated that the State has stopped funding under Ayushman Bharat, while Central funding continues to be received. He further informed that under HIMCARE, there is an **outstanding liability of approximately ₹450 crore**. He also highlighted issues relating to **ineligible and non-existent beneficiaries** enrolled under Social Welfare Schemes.

11. The PAG invited suggestions on additional topics that could be covered in future audits. In this connection, the members suggested the following:

(i) Transfer of industrial plots in violation of norms requiring deposit of 50 per cent of earned income with the Industry Department;

(ii) Misappropriation/diversion of funds while Utilisation Certificates are being submitted for the original allotments;

(iii) Large receipts from allotment of kiosks during Melas, Carnivals and Fairs by local administrations/local bodies, requiring examination;

(iv) Predominance of cash payments in Panchayats;

(v) Declining enrolment in universities despite increasing grants, with most funds being utilised for salary and pension, and underutilisation/idle infrastructure in schools and colleges;

(vi) Requirement of adequate infrastructure in health institutions and balanced procurement of medical instruments/equipment as per need, wherein the Sr. DAG stated that procurement planning is a major issue and that data from e-procurement is being analysed.

With respect to the above, the PAG stated that examination would be carried out during audit of the concerned departments, subject to audit mandate.

(vii) **BOCW, Phekubella Solar Project and recruitment in HPU** were also suggested, and the PAG informed the Board that these topics had already been examined in previous years.

12. In conclusion, the Chairperson expressed his gratitude to the members for their valuable inputs and constructive suggestions. He assured that all recommendations would be duly considered during execution of the **Annual Audit Plan 2026–27**, and that topics not included in the AAP would be considered in future audit plans. He further invited the members to continue sharing their suggestions and feedback through email and stated that another meeting may be convened, if required.

Annexure-A

Internal Members

- Shri Purushottam Tiwary, Principal Accountant General & Chairperson
- Shri Sandeep Dabur, Senior Deputy Accountant General (Admn.) & Ex-Officio Secretary
- Ms Ambika, Deputy Accountant General (AMG-II)
- Ms Deepa Chauhan, Senior Audit Officer
- Ms Shail Gupta, Senior Audit Officer
- Shri Mukender, AAO

Honorary External Members

- Shri Sanjeev Kaul, Engineer-in-Chief (Retd.)
- Shri Rajesh Mandhotra, SBC Divya Himachal
- Ms Geetika Sood, Member, NGO
- Shri Rajeev Sood, Chartered Accountant

Special Invitee

- Shri Sushil Thakur, Principal Accountant General (A&E), Himachal Pradesh, Shimla
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